

1 UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

2 -----x
UNITED STATES OF AMERICA,

3
4 Plaintiff,

Docket No.:

09 CR 466 (BMC)

5
6 versus

JOAQUIN GUZMAN LOERA,

U.S. Courthouse

225 Cadman Plaza East

7 Defendant.

Brooklyn, NY 11201

8 January 3, 2019

9:30 a.m.

9 Transcript of Criminal Cause for Trial

10 Before: HONORABLE BRIAN M. COGAN,

District Court Judge

11 (and a jury.)

12 APPEARANCES

13 For the Government:

RICHARD P. DONOGHUE, ESQ.

United States Attorney

Eastern District of New York

271 Cadman Plaza East

15 Brooklyn, New York 11201

16 BY: ANDREA GOLDBARG, ESQ.,

GINA PARLOVECCHIO, ESQ.,

17 MICHAEL P. ROBOTTI, ESQ.,

PATRICIA E. NOTOPOULOS, ESQ.

Assistant U.S. Attorneys

18 UNITED STATES ATTORNEY'S OFFICE

19 Southern District of Florida

99 NE 4th Street

20 Miami, Florida 33132

21 BY: ADAM S. FELS, ESQ.

22 DEPARTMENT OF JUSTICE,

CRIMINAL DIVISION

Narcotic and Dangerous Drug Section

23 145 N Street NE, Suite 300

Washington, D.C. 20530

24 BY: ANTHONY NARDOZZI, ESQ.

AMANDA LISKAMM, ESQ.

25
MICHELE NARDONE, CSR -- Official Court Reporter

USA v. Guzman Loera

Appearances (continuing):

For the Defendant:

BALAREZO LAW
400 Seventh Street, NW, Suite 306
Washington, D.C. 20004
BY: EDUARDO BALAREZO, ESQ.

LAW OFFICES OF JEFFREY LICHTMAN
11 East 44th Street, Suite 501
New York, New York 10017
BY: JEFFREY H. LICHTMAN, ESQ.
PAUL R. TOWNSEND, ESQ.

LAW OFFICE OF PURPURA AND PURPURA
8 E. Mulberry Street
Baltimore, Maryland 21202
BY: WILLIAM B. PURPURA, ESQ.

Court Reporter:

MICHELE NARDONE, CSR
Official Court Reporter
Phone: 718-613-2601
Email: Mishrpr@aol.com

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USA v. Guzman Loera

1 (In open court.)

2 (Defendant present.)

3 THE CLERK: All rise.

4 THE COURT: Good morning. Happy New Year. Let's have
5 the jury, please.

6 (Jury enters.)

7 THE COURT: All right. Everyone be seated.

8 Good morning, ladies and gentlemen. Best wishes for
9 the new year. I know you are all rested and ready to go, and
10 so we will.

11 The government's next witness, please.

12 MS. GOLDBARG: Yes. Good morning, Your Honor. The
13 government calls America Pina.

14 THE CLERK: Please raise your right hand.

15 AMERICA PINA, called as a witness, having been first
16 duly sworn/affirmed, was examined and proceeded
17 to testify as follows:

18 THE CLERK: Please state and spell your name for the
19 record.

20 THE WITNESS: America Pina. Spell it? P-I-N-A.

21 THE CLERK: You may be seated.

22 THE COURT: You may inquire.

23 MS. GOLDBARG: Thank you, your Honor.

24

25

Pina - Direct/Goldbarg

1 DIRECT EXAMINATION

2 BY MS. GOLDBARG:

3 Q Good morning, Ms. Pina.

4 A Good morning.

5 Q Who do you work for?

6 A The Bureau of Prisons.

7 Q What facility within the Bureau of Prisons do you work
8 for?

9 A Metropolitan Correctional Center.

10 Q Where is that located?

11 A Manhattan, New York.

12 Q How long have you been employed by the Bureau of Prisons?

13 A Eleven years.

14 Q What is your current -- what department do you work for?

15 A SIS Department.

16 Q Does that stand for Special Investigative Services?

17 A Yes, it is.

18 Q What is your title within SIS?

19 A I'm an SIS technician.

20 Q What are your responsibilities, generally, as an SIS
21 technician?

22 A We monitor phone calls, incoming mail, outgoing mail, and
23 e-mails.

24 Q Do you assist in any other investigations within the
25 facility?

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Pina - Direct/Goldbarg

1 A Yes.

2 Q How long have you been an SIS technician?

3 A Four years.

4 Q Are you familiar with something known as Trufone,
5 T-R-U-F-O-N-E?

6 A Yes.

7 Q What is Trufone?

8 A Trufone is how the inmates make their phone calls.

9 Q How does that happen?

10 A They dial out, where they will dial the phone number, and
11 they will put a PAC number, which is a special number assigned
12 to just that inmate.

13 Q What happens after they dial the phone number and the PAC
14 number?

15 A There is a recording, so the person who is receiving the
16 call knows it's coming from a federal institution.

17 Q Are there any other instructions in that recording?

18 A Yes. It's telling them that it's a prepaid call and it's
19 subject for recording, and they can hang up at any time or they
20 can dial five if they want to accept the call.

21 Q In what language is that outgoing message?

22 A It's either Spanish or English.

23 Q How is it determined whether or not that recording is
24 going to be in Spanish or in English?

25 A When the inmate sets it up, he will choose whether he

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Pina - Direct/Goldbarg

1 wants it to be in Spanish or English.

2 Q Is there any way to shorten the outgoing message for the
3 person who is receiving the call from the prison?

4 A Yes.

5 Q And how is that done?

6 A The person who is receiving the call, they can just dial
7 five immediately, and it will accept the phone call.

8 Q I would like to draw your attention to May 7, 2018.

9 Were you tasked to do anything at the MCC in Manhattan
10 on that day?

11 A Yes.

12 Q What were you asked to do?

13 A To monitor a phone call.

14 Q A phone call made by whom?

15 A The defendant.

16 Q When you say "The defendant," can you point him out in the
17 courtroom, please.

18 MR. PURPURA: We will stipulate the defendant in this
19 case is Mr. Guzman, seated next to counsel.

20 THE COURT: The question is does she recognize him.

21 Do you recognize him?

22 THE WITNESS: Yes.

23 THE COURT: Will you stipulate to that?

24 MR. PURPURA: Absolutely.

25 THE COURT: Go ahead.

Pina - Direct/Goldbarg

1 BY MS. GOLDBARG:

2 Q What role did you play when the defendant made a phone
3 call on May 7, 2018?

4 A I had to watch him on screen and listen to the phone call.

5 Q When you say you watched him on the screen, what do you
6 mean by that?

7 A We have a screen system where we watch the inmate receive
8 the phone. It's a phone, and he received the phone. He will
9 dial the phone number and his PAC; and I'm watching that on
10 camera.

11 Q What happens once a phone call starts? What are you
12 doing?

13 A I'm listening to the phone call.

14 Q Are you listening to the phone call at the same time as
15 the phone call is made?

16 A As is live, yes.

17 Q After the phone call terminates or ends, what do you do?

18 A I have to record the phone call.

19 Q And once you record the phone call, what do you do?

20 A I record it onto a disk and give it to the agent.

21 Q I'm showing you for identification Government
22 Exhibit 608-2.

23 MR. PURPURA: No objection to the admission.

24 THE COURT: Okay. It's admitted.

25 (Government Exhibit 608-2 so marked.)

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Pina - Direct/Goldbarg

1 Q Ms. Pina, what is on 608?

2 A My initials and the date.

3 Q What's burned onto the CD?

4 A The phone call.

5 Q Is this a call from May 7, 2018?

6 A Yes.

7 Q Who was it placed by?

8 A The defendant.

9 MS. GOLDBARG: I would like to play the first ten
10 seconds of it and ask you one question about that, please.

11 THE COURT: Give us a second. All right.

12 (Recording played.)

13 Q The second voice we heard on there it says gracias,
14 G-R-A-C-I-A-S.

15 Do you recognize what that is?

16 A Yes.

17 Q What is that?

18 A That's the recording from our institution, telling the
19 person that they are receiving a call.

20 Q Does the phone call continue to play after this recording?

21 A Yes.

22 Q What does that indicate to you?

23 A That the person dialed five to receive the call.

24 Q Does that shortcut the outgoing recorded message?

25 A Yes.

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Pina - Direct/Goldbarg

1 Q Once you burn the recording, is there any way to
2 manipulate the phone call?

3 A No.

4 Q You also mentioned one of your responsibilities is to
5 monitor outgoing mail.

6 A Yes.

7 Q What do you mean by that?

8 A We have to open up the mail and make photocopies of the
9 mail and send it out to the agent.

10 Q You did that for this defendant, correct?

11 A Yes.

12 Q I'm showing you what's been marked only for identification
13 Government Exhibit 809-1, and I'm going to also show you
14 Government Exhibit 809-2.

15 Do you recognize these documents?

16 A Yes.

17 Q What are these?

18 A Mail, outgoing mail.

19 Q Sent by whom?

20 A The defendant.

21 Q Okay. And now I would like to show you for identification
22 809-1R and 809-2R.

23 Do you recognize these documents?

24 A Yes.

25 Q What are these documents?

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1 A The same documents from before, mail.

2 Q Are they redacted?

3 A Yes.

4 Q Are these true and accurate copies of the letters that you
5 received from the defendant and copied and sent to the agents?

6 A Yes.

7 MS. GOLDBARG: At this time the government moves to
8 admit 809-1R and 2R.

9 MR. PURPURA: No objection to the limited purpose the
10 government intends to use these.

11 THE COURT: As long as you both know what that is, I
12 guess that's fine. Go ahead. They are received.

13 (Government Exhibits 809-1R and 809-2R so marked.)

14 Q You said these were written by whom, which inmate?

15 A Inmate Guzman.

16 MS. GOLDBARG: That's 809-2R and 809-1R.

17 The government has no further questions, Your Honor.

18 Oh, I'm sorry.

19 (Pause.)

20 BY MS. GOLDBARG:

21 Q Just to clarify, Ms. Pina, when the recording that you
22 listened to on May -- sorry -- May 7, 2018, Government Exhibit
23 602 -- 608-2, the call is being recorded, you are listening,
24 monitoring it live; but it's also being recorded at the same
25 time, correct?

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Pina - Direct/Goldbarg

1 A I have to record it after the phone call is finished.

2 Q What happens to the call while it's in the system?

3 A It's being saved.

4 MS. GOLDBARG: Okay. No further questions.

5 THE COURT: Any cross?

6 MR. PURPURA: Yes.

7 CROSS-EXAMINATION

8 BY MR. PURPURA:

9 Q Good morning, Ms. Pina.

10 A Good morning.

11 Q Ms. Pina, in the normal situation in the BOP in Manhattan,
12 how long do you keep recorded calls?

13 MS. GOLDBARG: Objection.

14 THE COURT: Overruled.

15 A It's saved in the system for six months.

16 Q After six months they are deleted?

17 A It automatically deletes, yes.

18 Q The numbers, are inmates allowed to dial anyone they wish
19 to call, or do they have to give the numbers to the BOP and
20 have those numbers kind of vetted?

21 MS. GOLDBARG: Objection.

22 THE COURT: Overruled.

23 A They have to give it to somebody so they can be approved.

24 Q In this particular case, in the phone calls that
25 Mr. Guzman was making, he gave the number to someone in

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Pina - Cross/Purpura

1 authority; is that correct?

2 A Yes.

3 Q And the person he was making the phone call to, that was
4 an approved person; is that correct?

5 A Yes.

6 Q And you indicated that -- we didn't hear it, but there is
7 a general warning with all BOP phone calls, correct?

8 A Yes.

9 Q And they want the person who is receiving the call to
10 understand that the call is being received or -- excuse me --
11 recorded, correct?

12 A Yes.

13 Q And it can be monitored live as well, correct?

14 A Yes.

15 Q And so that's in either English and/or Spanish, correct?

16 A Yes.

17 Q And it takes -- it's about a two-or-three-minute warning;
18 is that fair to say?

19 A About, yes.

20 Q And that's what Mr. Guzman had on his phones as well; is
21 that correct?

22 A Yes.

23 Q So Mr. Guzman obviously knew that all the calls that he
24 was making would be recorded at that time; is that correct?

25 MS. GOLDBARG: Objection.

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Pina - Cross/Purpura

1 THE COURT: Sustained.

2 Q Mr. Guzman also heard that warning as well as the person
3 receiving the call; is that correct?

4 MS. GOLDBARG: Objection.

5 THE COURT: Sustained.

6 Q As to the mail, now, in this particular situation, you, as
7 far as Mr. Guzman is concerned, all his outgoing mail is to be
8 reviewed and copied; is that correct?

9 A Yes.

10 Q And that's one of your jobs in this particular case,
11 correct?

12 A Yes.

13 Q That's not in all inmates' cases; is that correct?

14 MS. GOLDBARG: Objection.

15 THE COURT: Sustained.

16 Q Whether it is or is not, in this particular case, as far
17 as Mr. Guzman, it is your obligation, or someone like you, to
18 review, copy, and to forward to a government agent all of his
19 outgoing mail; is that correct?

20 A Yes.

21 Q And that's what's done with all the letters by Mr. Guzman;
22 is that correct?

23 A Yes.

24 MR. PURPURA: No further questions.

25 MR. LICHTMAN: One second.

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Pina - Cross/Purpura

1 (Pause.)

2 BY MR. PURPURA:

3 Q I might have asked you this question, but I will just do
4 it in a different manner.

5 You indicated before that the inmate must give you the
6 numbers in advance, correct?

7 A Yes.

8 Q And those numbers, does the BOP confirm those are the
9 actual numbers, before they are approved?

10 A Yes.

11 Q So you know there is some investigation as to who is the
12 recipient for this particular number; is that correct?

13 A Yes.

14 Q That's confirmed by the BOP; is that right?

15 A Yes.

16 MR. PURPURA: Thank you. I have no further questions.

17 THE COURT: Any redirect?

18 MS. GOLDBARG: No, Your Honor.

19 THE COURT: You may step down. Thank you.

20 Ladies and gentlemen, we are going to need to
21 rearrange the courtroom just a little bit. If I could have you
22 just lined up in the hall, we will have you back in here in
23 about 90 seconds.

24 (Jury exits.)

25 THE COURT: Will the government bring its next witness

Pina - Cross/Purpura

1 forward, please.

2 (Pause.)

3 THE COURT: All right. Let's have the jury back
4 please.

5 (Jury enters.)

6 THE COURT: All right. Everyone be seated. We are
7 going to have a very short sidebar.

8 (Continued on the next page.)

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1 (Sidebar conference.)

2 MR. BALAREZO: I just want to ask the court to perhaps
3 ask the government to tell its witnesses not to make any
4 gestures or signals to Mr. Guzman. Ray Zambada as well as
5 Mr. Cifuentes and now this gentleman are both looking at
6 Mr. Guzman, smirking. This guy Zambada, who is on the stand
7 right now, just winked and made some facial gesture to
8 Mr. Guzman.

9 Cifuentes, when he came by, when he left, he did like
10 a little hug thing, which in certain quarters is not a positive
11 sign; and then Ray Zambada did the same thing when he got off
12 the stand and was being walked out. So I would just ask the
13 government to have its witnesses not make any gestures or
14 anything towards the defendant.

15 THE COURT: Look, this application is a little late,
16 and it would have been nice to have that before we had the
17 witness on the stand and had the jury in.

18 MR. BALAREZO: From here going on. I understand they
19 are not going to tell him now.

20 MS. LISKAMM: Your Honor, the government
21 wholeheartedly disagrees with counsel's description of the
22 witness' gestures.

23 If anything, I think this witness merely nodded at the
24 defendant, at best-case scenario; and I think the other
25 descriptions were inaccurate as well.

1 THE COURT: First of all, there is nothing I can do
2 about it at the moment because I would have to send the jury
3 out.

4 During a break, I will consider whether to give this
5 witness a very innocuous direction to please not make any
6 signals to the defendant, and I will tell him not that you have
7 or that you are going to; but maybe I will do that, instead of
8 getting to the bottom of the factual dispute as to what the
9 other witnesses have done.

10 MR. BALAREZO: Thank you.

11 THE COURT: We will deal with that at the break.

12 MR. BALAREZO: Thank you.

13 MS. LISKAMM: Thank you, Your Honor.

14 (End of sidebar conference.)

15 (Continued on the next page.)
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Zambada Niebla - Direct/Liskamm

1 (In open court.)

2 THE COURT: The government's next witness, please.

3 MS. LISKAMM: Your Honor, the government calls Vicente
4 Zambada Niebla.

5 (Through the interpreter.)

6 VICENTE ZAMBADA NIEBLA, called as a witness, having
7 been first duly sworn/affirmed, was examined
8 and proceeded to testify as follows:

9 THE CLERK: Please state and spell your name for the
10 record.

11 THE WITNESS: Vicente Zambada Niebla, V-I-C-E-N-T-E
12 Z-A-M-A-B-A-D-A N-I-E-B-L-A.

13 THE CLERK: You may be seated.

14 THE WITNESS: Thank you.

15 THE COURT: All right. You may inquire.

16 MS. LISKAMM: Thank you, Your Honor.

17 DIRECT EXAMINATION

18 BY MS. LISKAMM:

19 Q Good morning, Mr. Zambada.

20 A Good morning. Good morning, everyone.

21 Q Mr. Zambada, how old are you?

22 A I'm 43 years old.

23 Q How far did you go in school?

24 A I finished my high school.

25 Q Do you understand any English?

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1 A Yes.

2 Q What language are you most comfortable testifying in
3 today?

4 A I feel more comfortable in my own language, Spanish.

5 Q Mr. Zambada, where are you from?

6 A From Culiacan, Sinaloa, Mexico.

7 Q Who is your father?

8 A Ismael Zambada Garcia.

9 Q Does your father go by any nicknames?

10 A Yes. El Mayo, that's the most common one. El Padrino,
11 La Doctora, La Senora; and amongst the people who are closest
12 to my Compadre Chapo, they call him La Cocina.

13 Q What does La Cocina mean?

14 A It means the cook, La Cocinera. It was a code that was
15 used over the phone to refer to my dad.

16 Q Okay. I'm going to show you what's already in evidence as
17 Government's Exhibits 2A and 2B.

18 I'm showing you first Government's Exhibit 2A. Do you
19 recognize this person?

20 A That's my father, my dad.

21 THE COURT: Hang on one second. You need to press the
22 button on your lapel mic.

23 MS. LISKAMM: It's working.

24 THE COURT: Okay. Melonie?

25 THE CLERK: Yes.

Zambada Niebla - Direct/Liskamm

1 THE COURT: Good?

2 THE CLERK: Yes.

3 BY MS. LISKAMM:

4 Q I'm showing you Government's Exhibit 2B. Who is this?

5 A He is my dad.

6 Q What does your dad do for a living?

7 A My dad is the Sinaloa cartel's leader.

8 Q What, if any, connection do you have with the Sinaloa
9 Cartel?

10 A Well, at one point in time, strategically speaking, I
11 would coordinate the shipments, the drug shipments, from
12 Central America and South America to Mexico. I would make sure
13 that those shipments would make it safely to the border with
14 the United States.

15 In my role, I was also in charge of passing messages
16 to my dad; and, with these, I would like to mention that my dad
17 had people all over the country -- people in the south of the
18 republic, in the center of the republic, and at the borders --
19 and those people would all get in touch with me and to tell me
20 what was happening at that time or at certain time in relation
21 to drug trafficking.

22 I also coordinated for the drugs to make it to the
23 United States, for them to be sold, and for that money to be
24 brought back to Mexico; and all of that was reported back to my
25 father, my dad.

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Zambada Niebla - Direct/Liskamm

1 Q Just generally, what, if any, responsibilities did you
2 have with respect to corruption within the cartel?

3 A I was also connected to corruption. I would pay police
4 officers on behalf of my father and my Compadre Chapo.

5 Q What, if any, nicknames did you have in the cartel?

6 A Well, they call me El Nino, they call me El Diez,
7 El Diego; and, with my Compadre Chapo and other people, over
8 the phone they would call me La Mesera.

9 Q What does La Mesera mean?

10 A Waitress. It's at a restaurant. It's a waitress.

11 Q Based on your involvement in the cartel, what did you
12 understand the goal of the cartel to be?

13 A Well, the goal -- just like in any business, and in this
14 case the drug trafficking business, which is an illegal
15 business -- it was to make money. And with the money, well,
16 you gain power, corruption. Well, from the power, from the
17 money, from the corruption, unfortunately, you have jealousies
18 with other people. They feel envious of you and there become
19 problems and that's how wars break out.

20 Q What drugs were the cartel selling to make this money?

21 A Mostly cocaine and also ephedrine and marijuana.

22 Q Who else was your father working with in the Sinaloa
23 Cartel?

24 A Well, my father has been a leader since the '80s, and he
25 is partners and compadres with other leaders. Since the

Zambada Niebla - Direct/Liskamm

1 beginning of the '80s he was compadre and partners with Miguel
2 Felix Gallardo, Amado Carrillo Fuentes, the Arellano Felix
3 brothers, my Compadre Chapo Guzman, Joaquin Guzman Loera,
4 partner and compadre of the Beltran Levya Brothers, as well as
5 Juan Jose Esparragoza, El Azul, Ignacio Coronel, Nacho Coronel.
6 So he has been a leader since the '80s and partner of many
7 other leaders.

8 Q You just mentioned a number of people that your dad worked
9 with in the Sinaloa Cartel. How would you describe --

10 THE COURT: Hang on a second.

11 (Pause.)

12 BY MS. LISKAMM:

13 Q Mr. Zambada, you mentioned a number of people that your
14 father worked with in the Sinaloa Cartel.

15 A Yes.

16 Q What was the business relationship like between your
17 father and those individuals you just mentioned?

18 A Well, there was a partnership in his business, in his drug
19 trafficking business.

20 Q You mentioned Chapo.

21 When is the first time that you met Chapo?

22 A Well, I saw my compadre at the end of the '80s, beginning
23 of the '90s, at one of my father's houses. He went there to
24 visit my dad.

25 Q How old were you at the time?

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Zambada Niebla - Direct/Liskamm

1 A Fifteen, sixteen. Between 15 or 16.

2 Q Who else was there?

3 A Well, my dad and my Compadre Chapo at the time. Well, I
4 mean, there were other people, like security personnel who
5 worked for my dad and my Compadre Chapo as well.

6 Q Who introduced you to Chapo?

7 A Well, my dad, my father.

8 Q How did he introduce you to Chapo?

9 A He just said my Compa Chapo.

10 Q What does compa mean?

11 A Well, it is a diminutive of compadre, and also in Sinaloa
12 it is very common for you to say compa to your buddies, to your
13 friends.

14 Q What, if any, familial relationship do you have with
15 Chapo?

16 A We are compadres. He is the godfather of my youngest
17 son's baptism.

18 Q And how many times would you say you met Chapo?

19 A Hundreds of times.

20 Q Do you recognize anyone in the courtroom today as Chapo?

21 A Yes.

22 Q Can you identify him by a piece of clothing?

23 MR. BALAREZO: Stipulated. He is seated at the
24 defendant's table.

25 THE COURT: And that the witness knows who he is?

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Zambada Niebla - Direct/Liskamm

1 MR. BALAREZO: Yes.

2 MS. LISKAMM: Thank you, Your Honor.

3 BY MS. LISKAMM:

4 Q I want to pause for a moment and talk about your case,
5 Mr. Zambada.

6 A Yes.

7 Q Where are you currently living?

8 A At a federal prison in the United States.

9 Q When were you arrested?

10 A March 2009.

11 Q Where were you arrested?

12 A In Mexico City, the federal district.

13 Q Why are you in prison right now?

14 A Well, I had two charges because of conspiracy, im --
15 importation and distribution of thousands of kilos of cocaine
16 in the United States.

17 Q You said two cases. Why do you have two cases?

18 MR. BALAREZO: Objection, misstates his testimony.

19 THE COURT: Overruled.

20 A I have a case in the District of Columbia, and I have a
21 case in the District of Illinois.

22 Q Where did you plead guilty to both of those cases?

23 A In the District of Illinois.

24 Q Not to get too in the weeds on this, but why did you plead
25 guilty in Illinois to your case in D.C.?

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Zambada Niebla - Direct/Liskamm

1 A Well, my attorneys and the prosecutors reached an
2 agreement to move my case to the District of Illinois so that I
3 can be sentenced in the District of Illinois in just one
4 sentence.

5 Q How much time are you facing on each case?

6 A Both cases imply life, from ten years to life.

7 Q That's on each case, correct?

8 A Yes, correct.

9 Q Have you been sentenced yet?

10 A No, not yet.

11 Q Okay. When you pled guilty was this pursuant to a plea
12 agreement?

13 A Yes.

14 Q Okay. I'm going to show, just for the witness only,
15 what's been marked as Government Exhibit 3500-VZN-7 and
16 3500-VZN-111.

17 Starting with Government's Exhibit 3500-VZN-7,
18 Mr. Zambada, I'm just going to flip through this for you, to
19 the last page.

20 Mr. Zambada, do you recognize the signature on the
21 last page?

22 A Yes. That's my signature.

23 MR. BALAREZO: I have no objection.

24 MS. LISKAMM: The government moves to admit Government
25 Exhibit 3500-VZN-7.

MICHELE NARDONE, CSR -- Official Court Reporter

Zambada Niebla - Direct/Liskamm

1 THE COURT: Received.

2 (Government Exhibit 3500-VZN-7 so marked.)

3 MS. LISKAMM: Any objection to the second one?

4 MR. BALAREZO: No.

5 MS. LISKAMM: The government moves to admit Government
6 Exhibit 3500-VZN-111. Is that admitted, Your Honor?

7 THE COURT: Yes.

8 MS. LISKAMM: Thank you.

9 (Government Exhibit 3500-VZN-111 so marked.)

10 (Continued on the next page.)

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1 (In open court.)

2 DIRECT EXAMINATION

3 BY MS. LISKAMM (continuing):

4 Q Mr. Zambada, what is Government's Exhibit 3500-VZN-7?

5 A That it's my guilty plea. It's an agreement.

6 Q Your plea agreement?

7 A Yes.

8 Q And is this the plea agreement that you pled guilty to in
9 2013?

10 A Yes.

11 Q Okay. And looking at Government's Exhibit 3500-VZN-111.

12 What do you recognize this to be?

13 A That is my guilty plea, my agreement.

14 Q Okay. The second agreement?

15 A Yes.

16 Q And is this the one that you pled guilty to in 2018?

17 A Yes.

18 Q Okay.

19 Mr. Zambada, what do you understand your obligations
20 to be under the plea agreement?

21 A Well, you know, it was for me to plead guilty to accept my
22 responsibility and what I did in these cases. And when I
23 signed it, I gave my word that I would always tell the truth
24 and I would provide any information that the prosecutor's
25 office would require of me.

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1 Q What is your understanding of the Government's obligations
2 under the plea agreement?

3 A No, they don't have any obligations.

4 Q What do you hope that the Government does at the time of
5 sentencing?

6 A Well, my hope, my hope, based on this agreement and my
7 responsibility is for my sentence to be reduced. That's my
8 hope.

9 Q That's for the Government to file a request to reduce your
10 sentence?

11 MR. BALAREZOS: Objection, form.

12 THE COURT: Sustained.

13 Q What, if anything, are you hoping the Government does for
14 you at the time of sentencing?

15 A Well, my hope, my personal hope, is for my sentence to be
16 reduced.

17 Q And who decides what sentence you get?

18 A The honorable judge.

19 Q Has the Government promised you a specific sentence or
20 that you will get a reduced sentence?

21 A No, they haven't offered me anything.

22 Q Why are you testifying here today?

23 MR. BALAREZOS: Objection.

24 THE COURT: Overruled.

25 A Well, in the first place, because when I signed my

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1 agreement, I committed to providing any information that the
2 prosecutor's office needed. And secondly, for the reasons that
3 I just said, it's because I think this may help me to obtain a
4 reduction in my sentence.

5 Q Pursuant to the plea agreement, have you agreed to forfeit
6 any money to the United States Government?

7 A Yes.

8 Q How much money?

9 A \$1.373 billion.

10 Q Has the Government provided you or your family with any
11 immigration benefits?

12 A Well, when I signed my plea, I asked if I could get
13 permission for my family to come to the United States.

14 Q And have they come here?

15 A Yes.

16 Q Why?

17 A Well, for their safety. It's better here than in Sinaloa.

18 Q Has the Government made any other promises to you?

19 A No.

20 Q Prior to your arrest, were you designated on what's called
21 the OFAC list?

22 A Yes.

23 Q What does that mean?

24 A OFAC is part of the Department of Justice of the
25 United States. Treasury Department, to clarify. I had that

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1 designation by the Treasury Department of the United States.

2 No business or businessperson or physical person can do any
3 business with me.

4 Q Why were you placed on the OFAC list?

5 A Because of an investigation by the Department of Treasury
6 that my father and I were trafficking drugs.

7 Q Let's talk a little bit about how you got involved in drug
8 trafficking.

9 A Yes.

10 Q Directing your attention to 1994.

11 Where were you living at that time?

12 A In Culiacan, and in the City of Cancun in Quintana Roo in
13 both of those places.

14 Q Showing you what's already in evidence as Government's
15 Exhibit 502. If you can circle on the screen in front of you
16 where Cancun is located?

17 A (Circling).

18 Q Thank you.

19 A I hope that's right.

20 Q Do you want to keep your glasses on so you can see what's
21 on the screen?

22 During your time in Cancun, who were you hanging out
23 with there?

24 A Well, at that time, I was living with my brother-in-law
25 Javier Diaz. And he was in charge for my father of the Plaza

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1 of Cancun at that time.

2 Q And what specifically was he doing in Cancun?

3 A Well, he was receiving drug shipments for my father in the
4 Atlantic coast, specifically, Cancun.

5 Q When you say "drug shipments," what type of drug?

6 A Cocaine.

7 Q Okay. And who did Javier report to in the cartel at that
8 time?

9 A Directly to my father and my compadre, Amado Carrillo
10 Fuentes because my father and Amado Carrillo Fuentes were
11 partners at that time.

12 Q Showing you what's already in evidence as Government's
13 Exhibit 9.

14 Who is that?

15 A He is my compadre Amado Carrillo Fuentes.

16 Q You explained that your father and Amado were partners at
17 that time; correct?

18 A Yes.

19 Q What was your relationship with Amado Carrillo Fuentes?

20 A Very good friends, compadres. He is the godfather of my
21 oldest son in his christening. That is why we are compadres.

22 Q The cocaine that your brother-in-law was receiving, where
23 was it being sourced from?

24 A It was coming directly from Colombia, South America,
25 Colombia.

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1 Q What happened to your brother-in-law, Javier Diaz?

2 A He was murdered.

3 Q By who?

4 A The Arellano Felix Brothers.

5 Q Approximately when was your brother-in-law murdered?

6 A He died on January 11, 1996.

7 Q Where was he killed?

8 A In Mexico City.

9 Q What happened in Cancun after your brother-in-law was
10 murdered?

11 A At the time of his murder, there was a shipment on its way
12 from Colombia to Cancun. My brother-in-law was murdered, I had
13 spent all this time with him. And during all this time I had
14 been able to observe how he worked, how for my father how he
15 received the shipments. So I gave the order myself, to the
16 people of my brother-in-law's and my dad's people, to receive
17 that shipment; to continue doing the same thing that they had
18 been doing with my brother-in-law, Javier. So that was my
19 first intervention related to drug trafficking.

20 Q Did you manage the shipment that was coming in?

21 A Yes.

22 Q How large was that shipment, approximately?

23 A Around 1,600 kilos of coke.

24 Q Who did you report that shipment to?

25 A To my father and to my compadre Amado.

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1 Q How many shipments did you receive in Cancun?

2 A No, just that one.

3 Q Who else from your family was working in Cancun at that
4 time?

5 A An uncle of mine was there. My uncle Rey, Jesus Zambada.

6 Q How often did you see him in Cancun?

7 A I saw him several times. I went to visit him in his
8 house.

9 Q Showing you what's already in evidence as Government's
10 Exhibit 99.

11 Who is this?

12 A That's my uncle Rey.

13 Q What is your understanding of what your uncle was doing in
14 Cancun at that time?

15 A Well, he was also working on receiving shipments of drugs.
16 So, coke for the cartel, for my father.

17 Q After you received the shipment of 1,600 kilos of cocaine
18 in Cancun, what did you start doing for the cartel?

19 A Well, after that, my father told me to go to Culiacan, to
20 the City of Culiacan. At that time, my father had a war
21 against the Arellano Felix Brothers. They were killing a lot
22 of relatives and workers of my father's in Culiacan. And he
23 told me to go and be with him, to stay very close to him,
24 because one of the targets was to harm me, to kill me, so that
25 they could harm my father.

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1 And because I was so close to my father at that time,
2 I started seeing everything that he would do and talking about
3 his work in drug trafficking. I would fly to cities where he
4 was together with him.

5 I would be at meetings with, my compadre Amado, with
6 Colombians doing drug trafficking deals. Also, meetings with
7 police talking about corruption. So it was the way that I
8 started with him. I started realizing how everything was done,
9 and little by little I started getting involved in my father's
10 business. And the reason that I was so closely attached to my
11 father was because of the danger I was in because I was his
12 son, his oldest son.

13 Q By 2001, what was your role in the cartel?

14 A By 2001, I was a more important person for the cartel.
15 During all of those years, since the '90s, I was very close to
16 my father, meeting people, seeing how he worked, and getting
17 involved in his business.

18 And so, by 2001, I was another boss; I was the son of
19 the leader. And, as I said, I coordinated shipments from South
20 America and Central America. I did -- I was carried out
21 corruption and managed the people for my father all over the
22 republic.

23 Q In 2001, where did you have your offices?

24 A I had several offices in Culiacan.

25 Q Who did you share those offices with?

Anthony D. Frisolone, FAPR, RDR, CRR, CRI, CSR
Official Court Reporter

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1 A I shared them request be Juancho.

2 Q Showing you what's already in evidence as Government's
3 Exhibit 58.

4 Who is this?

5 A He is Juancho. His name is Juan Rocha Guzman.

6 Q What nicknames did Juancho have?

7 A Virgo was a radio code for him. Code name between him and
8 me I call him Sanka.

9 Q The first nickname that you just said was Virgo with a V?

10 A Yes.

11 Q And what was Juancho's role within the cartel?

12 A Well, he was a very close person and a cousin of my
13 Compadre Chapo and he basically took care of a lot of business
14 for him.

15 Q Who did he report directly to?

16 A Well, he reported directly to my Compadre Chapo. Also, to
17 me and to my father directly.

18 Q Was there ever a time that you are aware of the defendant
19 having another right-hand man?

20 A I'm sorry, can you repeat the question?

21 Q I probably phrased that wrong. At any point, were you
22 aware of the defendant having another right-hand man other than
23 Juancho?

24 A Well, in subsequent years, there was a person who was like
25 a right-hand person to my Compadre Chapo and he was Damaso

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1 Lopez.

2 Q Showing you what's already in evidence as Government's
3 Exhibit 11-A.

4 Who is that?

5 A That's Licenciado Damaso Lopez.

6 Q What were Damaso Lopez's responsibilities in the cartel?

7 A Well, he was in charge of all the people from my
8 Compadre Chapo. He was also in charge of coordinating drug
9 shipments from South America and Central America to Mexico. He
10 was also the person in charge for my Compadre Chapo for
11 corruption payments.

12 Q Are you aware of any nicknames for Damaso?

13 A Well, amongst themselves, we sometimes called him
14 Felizardo.

15 Q You mentioned the term Licenciado?

16 A It was common among everyone Licenciado. But amongst
17 ourselves, as a radio code word, Felizardo.

18 Q Have you ever heard of Damaso referred to as "Lic"?

19 A Yes.

20 Q What is that?

21 A It's a diminutive for Licenciado.

22 Q When is the last time you saw or interacted with Damaso?

23 A Some months before I was arrested in 2009.

24 Q Now, you previously mentioned there was a war with the
25 Arellano Felix Brothers; correct?

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1 A Yes.

2 Q Who are the Arellano Felix Brothers?

3 A Well, they are originally from Cancun. Although, as young
4 men, when they were very young, they moved to Tijuana in Baja
5 California and they are known as the Arellano Felix Brothers of
6 the Tijuana Cartel.

7 Q Where did you go to high school?

8 A In Tijuana, Baja California.

9 Q Did you have any interactions with the Arellano Felix
10 Brothers?

11 A At that time, most of them were partners and compadres
12 with my father. So I saw them very often when I was there in
13 the '80s.

14 Q Which one of the brothers did you have interactions with?

15 A With when Javier Arellano Felix; Francisco Arellano Felix;
16 Ramon Arellano Felix; Eduardo Arellano Felix; and Javier
17 Arellano Felix were the ones that I had the most contact with.

18 Q During the war with the Arellano Felixes, who were the
19 Arellano Felixes fighting against?

20 A Against my dad. When the war broke out, it was against my
21 dad and my Compadre Chapo.

22 Q Directing your attention to 1993. What, if anything,
23 occurred at the Guadalajara Airport that year?

24 MR. BALAREZOS: Objection.

25 THE COURT: Sustained.

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1 Q Mr. Zambada, did you have any conversations with the
2 defendant about what occurred at Guadalajara Airport in 1993?

3 A Well, one time, when I was up with him in the mountains,
4 it wasn't necessarily a conversation, specifically about that.
5 But what's in the Guadalajara Airport was mentioned.

6 Q When did this conversation occur?

7 A Well, it was in the thousands. I mean, I actually talked
8 about this with my Compadre Chapo many times. When this came
9 out, it was mentioned a few times and, more specifically, it
10 was mentioned that what happened in Guadalajara was a cardinal
11 was killed there.

12 And on each adversary of the cardinal's death
13 anniversary, they would talk about my Compadre Chapo and the
14 Arellano Felix Brothers because they wanted to blame my
15 Compadre Chapo of the cardinal's death. And one of the
16 conversations, my Compadre Chapo said he hadn't killed the
17 cardinal that he had been actually the affected one because of
18 the Arellano Felixes at the time.

19 Q What did the defendant say about who else was present at
20 the airport that day?

21 A Well, when he got to the airport, he was attacked by the
22 hit men the sicarios of the Arellano Felix. I remember that he
23 escaped, he escaped. And also, there was a cousin of his
24 there, Hector Beltran.

25 Q What happened to Hector Beltran that day?

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1 A Well, I heard that -- I learned that he had been wounded
2 in the leg.

3 Q What did Chapo say -- where did Chapo say he had gone
4 next?

5 A Well, one time also while we were chatting up in the
6 mountains he said things had gone Mexico, meaning, another way
7 of saying that things had heated up at the airport because, at
8 that time, there was a lot of news about him and about the
9 Arellano Felix Brothers, meaning, my Compadre Chapo. So he had
10 gone to Guatemala for some time so he could hide there. And he
11 mentioned that he had been arrested in Guatemala.

12 Q Did he say that he said stayed in Guatemala?

13 A Well, he said that once he got to Guatemala, that he had
14 been betrayed; that a coronel had actually surrendered him to
15 the government, and he was later on taken and brought over to
16 the Mexican government.

17 Q Are you familiar with any of the defendant's brothers?

18 A Yes.

19 Q Who?

20 A Well, we have friends and we are also compadres. He is
21 the godfather of my oldest son's confirmation. And that is one
22 of my compadre Chapo's brothers. His name is Arturo Guzman
23 Loera.

24 Q What is his nickname?

25 A He was really well known as Polito.

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1 Q Showing you what's already in evidence as Government's
2 Exhibit 3. Who is this?

3 A That's my compadre El Pollo, and he is brother's
4 Compadre Chapo.

5 Q What is the defendant's relationship with Pollo like?

6 A Well, they are brothers, they had a very good relationship
7 between the two of them. And for what my compadre Pollo told
8 me on many occasions, he was very close to his brother, and
9 obviously, he was referring to his brother, my Compadre Chapo.

10 Q When the defendant was in jail, who was Pollo working
11 with?

12 MR. BALAREZOS: Objection. Assumes facts not in
13 evidence.

14 THE COURT: Sustained.

15 Q What, if anything, did Pollo do for a living?

16 A Well, he was also connected to drug trafficking and deals.

17 Q When the defendant was in prison --

18 MR. BALAREZOS: Objection.

19 THE COURT: I don't have any question yet. Let's hear
20 the question.

21 Q When the defendant was in jail, who was Pollo working
22 with?

23 MR. BALAREZOS: Objection.

24 THE COURT: Sustained as to form.

25 Q Mr. Zambada, when was -- to your knowledge, when was Pollo

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1 trafficking drugs?

2 A In the '90s.

3 Q Okay. And when was the defendant arrested?

4 MR. BALAREZOS: Objection.

5 THE COURT: Overruled.

6 A In 1993.

7 Q Okay.

8 After the defendant was arrested in 1993, who was
9 Pollo working with?

10 A Well, with his cousins the Beltran Leyva Brothers. And
11 also with my dad, he became very close to my dad.

12 Q You said that Beltran Leyva Brothers. Who are the Beltran
13 Leyva Brothers?

14 A Arturo Beltran Leyva; Hector Beltran Leyva; Alfredo
15 Beltran Leyva. Those are the ones that I had most interaction
16 with.

17 Q Where geographically was Pollo working at that time?

18 A They were living in Acapulco in Guerrero.

19 Q Based on your knowledge of trafficking with the cartel at
20 that time who controlled that area?

21 A Well, at the time, there was also partnership with my
22 father and Arturo Beltran Leyva. Arturo Beltran Leyva
23 controlled that area.

24 Q You mentioned that Pollo had a relationship with your dad
25 at this time?

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1 A Yes.

2 Q What type of a relationship was that?

3 A Well, they were also compadres. My compadre Pollo was the
4 godfather of my sister's quinceanera. My dad, I mean, you
5 know, my dad would go for, like, two or three months of the
6 year to Mexico City, to Acapulco, and my compadre Pollo would
7 always receive him there.

8 Q What type of business relationship did your dad with have
9 Pollo?

10 A Well, there was a partnership in connection to the drug
11 trafficking business.

12 Q During this time, was the defendant able to communicate
13 from jail?

14 MR. BALAREZOS: Objection.

15 THE COURT: Overruled.

16 A My compadre Pollo told me that he did talk to his brother.

17 Q Was there ever an occasion when you were present when
18 Pollo received a phone call from the defendant?

19 A Yes. One time, I was in Acapulco with my compadre Pollo.

20 Q What happened during that occasion?

21 A I was at my compadre Pollo's house with family and he told
22 me that he was going to receive a call from his brother, my
23 Compadre Chapo. And so, we moved to a different apartment
24 where he had a special phone where he would receive calls from
25 my Compadre Chapo.

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1 Q What happened when he received the call?

2 A Well, I was present when he received the call and he told
3 me that he was talking to his brother and that he sent his
4 regards. And even though I didn't have a lot of interaction
5 with my Compadre Chapo at the time, he did refer to me as the
6 son of El Frijol.

7 Q Who was El Frijol?

8 A They were referring to -- it was a code referring to my
9 dad at the time.

10 Q Did you ever talk to your compadre Pollo about whether or
11 not the defendant was receiving help within the jail.

12 A Yes, sometimes yes.

13 Q Who did he say was helping him?

14 A Well, at some point in time, he was receiving help from
15 Licenciado Damaso who was working at the jail.

16 Q What jail was this?

17 A It was Puente Grande in Jalisco. And this conversation
18 came about because my Compadre Chapo had had a difficult time
19 in the previous jail in which he was at in Almoloya and that he
20 was a little bit better off in Puente Grande.

21 Q Was Damaso at Puente Grande where we discussed earlier?

22 A Yes.

23 Q Okay. Directing your attention to around 2001. What
24 occurred that year with respect to the defendant?

25 A Well, my Compadre Chapo escaped from jail.

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1 Q Did you ever talk to the defendant about his escape from
2 Puente Grande?

3 A Not about details. No details about the escape, no.

4 Q Did you ever have any conversations with him about how he
5 escaped?

6 A Excuse me. With the defendant, or with his brother, my
7 compadre Pollo.

8 Q With the defendant?

9 A Yes, one time. We talked about that up in the mountains.
10 It wasn't a specific conversation about that, but at times we
11 would talk about it up in the mountains with my dad, Juancho,
12 and I.

13 Q What would he tell you?

14 A Well, we also talked about it because every single year it
15 was covered up in the -- there was coverage in the news. Well,
16 in fact, the news would give it a lot of coverage because they
17 would say that he had escaped. And, at the time, he was with
18 the Government with President Fox and he was just starting
19 that, you know, term and there was a lot of coverage. And he
20 was talking about it because he said, well, that's not true. I
21 mean, they don't know what they're saying. Only three or four
22 people knew about his escape.

23 And, you know, he said that, you know, the more people
24 that know about escape, the worse it's to go. So that's why
25 they were saying three or four people knew about that because

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1 it's a lie that President Fox was involved, or the director of
2 the jail was involved or there was corruption all of the
3 government.

4 Q What did the defendant say about how he physically got out
5 of the jail?

6 A Well, he said that he had gone out in a laundry cart.

7 Q And who helped him escape?

8 A He said it was the person in charge of the laundry at that
9 time. Someone named Chito.

10 Q What details did he tell you about the escape itself?

11 A Well that, he had escaped in the laundry cart; that that
12 was true, that he had hidden himself among the sheets and the
13 blankets. That Chito was pushing the cart out; that he was a
14 person who would normally be doing the laundry and he would be
15 normally in and out of the prison. That he went, when he was
16 inside the cart, he would be counting the doors. He could hear
17 them open and every one he heard, he would be very happy
18 because he knew he was going to get out.

19 In that type of prison, there are these checkpoints
20 that are called diamonds. Diamonds are like a glass enclosure
21 and inside there's a policeman and that's the person who has to
22 push the button to open the door. So Chito would arrive at a
23 point at a door with click and he could hear it, that a door
24 was opening. That's how he counted each of the doors as they
25 open up. Each of the doors as they opened up.

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1 And there was a time that we even laughed because we
2 left a little bit because at one time Chito let go of the cart.
3 He was talking to the policeman who asked him to open the door.
4 He let go of the cart and the cart started rolling back and he
5 imagined that if the cart had turned over and he had rolled out
6 of the laundry cart. He said it was a success in the cart and
7 that was the way it happened. At the very end there was a
8 barrier at a checkpoint to get out of the prison and he was on
9 the -- in the car already and he said that it seemed like it
10 took forever for the barrier to go up. A pluma we call it.

11 Some seconds later, it opened up and he was free. He
12 felt free. That was all we talked about. That's what he said.
13 I don't know more details than that.

14 Q What, if anything, did the defendant tell you about the
15 timing of his escape?

16 A Well, one of the reasons was because he had been notified
17 of his extradition. I heard about that. Extradition to the
18 United States, I mean.

19 Q Where did Chapo go after he escaped?

20 A I saw him a short time later in Mexico City.

21 Q Where?

22 A It's a part of the State of Mexico. It's a ranch
23 belonging to a compadre of mine named Barbarino.

24 Q Who was there when you saw Chapo?

25 A Well, I was with my dad personally and with my compadre

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1 Pollo. And over there I was able to greet my Compadre Chapo.

2 Q Did your dad and defendant have a conversation at that
3 time meeting?

4 A Yes, yes, of course.

5 Q What did they discuss?

6 A Well, it had been a very short time since my compadre had
7 escaped and he was being wanted all over Mexico. First of all,
8 it was a great pleasure to see each other, to be able to
9 embrace each other, and to talk amongst themselves. My
10 Compadre Chapo said at the time when I was present because I
11 would kind of come in and out of their conversation. He said
12 that he was very grateful to my father for what he had done for
13 my compadre Pollo and for his cousins the Beltran Leyvas
14 referring to all the support that my father had given them, the
15 Beltran Leyvas and his brother Pollo. And my dad said, no,
16 there's nothing to be that there was nothing to be grateful
17 about because they were friends, they were partners.

18 My Compadre Chapo said that at that time, you know, he
19 was not doing well economically and he was to start looking for
20 his contacts and his people so that he could start working
21 again. My dad said he shouldn't worry at that point. He
22 should be watching out and being careful because he was being
23 pursued. That he was to help him economically. That he,
24 himself, was working. That, at that time, he was partners with
25 the Beltran Leyvas and with Vicente Carrillo Fuentes. My dad

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1 said to him, I'm with you 100 percent. I'm to help you with
2 anything you need. And any kilo of coke that I received from
3 Colombia, said my father, I'm to give half to you.

4 And he said: So for now just take care of yourself,
5 stay in hiding. My Compadre Chapo said thank you. And my
6 Compadre Chapo said at that moment that he had just gotten out,
7 but he was also to contact his contacts and his people and that
8 in the future any kilo that came to him would be half his. I
9 mean, they became partners at that moment.

10 Q So I want to clarify. There were a lot of hes and hims?

11 A My father and my Compadre Chapo.

12 Q And the last part about what you just said, In the future
13 when he received any kilos of cocaine from Colombia, he would
14 give 50 percent to him. Can you clarify who the hes and hims
15 are?

16 A My Compadre Chapo said that to my father.

17 Q What was your understanding of the business relationship
18 between the defendant and your father at the end of that
19 meeting?

20 A Partners in drug trafficking business.

21 Q After the meeting at Barbarino's ranch, where did the
22 defendant go?

23 A I find out through my father because my father is the one
24 who had contacts in the Government and there were times when my
25 father notified us. He said did you know Compadre Chapo was

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1 because he found out about an operation. And we knew where he
2 was there, we should tell him so he could get out of there.

3 There was a time when my dad asked us to find out or
4 to talk to people to know if my Compadre Chapo was in Puebla
5 because he found out about a police operation in Puebla. There
6 was another time that I found out through my father that his
7 contacts in Mexico City said asked where my Compadre Chapo was
8 in Tepic because there was an operation over there so we could
9 tell him to get out of the there.

10 (Continued on the next page.)
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Zambada Niebla - Direct/Liskamm

1 (In open court.)

2 DIRECT EXAMINATION

3 BY MS. LISKAMM (continuing):

4 Q Upon learning about the operation in Tepic, what did he
5 do?

6 A Well, he flew to the city of Sinaloa in a helicopter of
7 ours belonging to my father and me.

8 Q Who was the pilot of that helicopter?

9 A His name was Patricio Estolano.

10 Q Are you aware of the defendant owning any other
11 helicopters?

12 MR. BALAREZO: Objection.

13 THE COURT: Answer the question yes or no.

14 THE WITNESS: Yes.

15 THE COURT: What were you going to ask him next?

16 MS. LISKAMM: I'm sorry?

17 THE COURT: What are you going to ask him next?

18 MS. LISKAMM: What helicopters those were.

19 THE COURT: No, you're going to ask him how he knows.

20 MS. LISKAMM: Understood, Your Honor.

21 Q How do you know the defendant had other helicopters?

22 A Well, he lent it to us at different times for my father
23 and I to fly and see him up in the mountains.

24 Q What helicopters were lent to you and your father?

25 A Well, this helicopter did not have a rotor, it was

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1 different from other helicopters we had.

2 Q It didn't have a rotor on what part of the helicopter?

3 A In the back it didn't have a rotor, it had like a turbine.

4 Q And what color was this helicopter?

5 A I remember it was dark blue, blue.

6 Q Showing you what's already in evidence as Government's
7 Exhibit 814. What do you recognize this to be?

8 A The only thing I recognize is that it was a helicopter
9 that was the same as that, and that it's not that it's that
10 one.

11 Q To be clear, this is not the one that you were lent?

12 A No.

13 Q But does this look similar to the one that was lent to
14 you?

15 A Yes.

16 Q Are you aware of any accidents that occurred with this
17 helicopter?

18 A Yes. Later on I found out in a conversation with my
19 Compadre Chapo and my father that the helicopter had had an
20 accident.

21 Q What happened?

22 A Well, the helicopter was kept in a warehouse at a ranch
23 very near Culiacan, and the pilot had a habit of entering -- of
24 entering with the -- flying the helicopter into the warehouse
25 and also getting out of the warehouse flying out the

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1 helicopter. And that in one of those occasions there was a
2 pocket of air that came in and the helicopter turned over and
3 had an accident.

4 Q Who owned the warehouse where this accident occurred?

5 A Well, it was a ranch that I had known for many years. It
6 belonged to a person called Robochivas and it had been lent to
7 Licenciado Damaso.

8 Q Who is Robochivas?

9 A Well, he was from Culiacan, he was a person who was in the
10 drug trafficking business too but he wasn't, like, a partner of
11 my father's or anything like that.

12 Q Shortly after the defendant's escape, did you attend any
13 parties with him?

14 A Yes.

15 Q Where was that?

16 A It was in the very same ranch that I mentioned before in
17 the state of Mexico. It was Barbarino's.

18 Q You mentioned Barbarino a couple of times now.

19 Who is he?

20 A Well, his name is Pancho, he's better known as Barbarino,
21 that's his nickname. And he's someone that my Compadre Chapo
22 knew from when they were very young.

23 Q What was the party for at Barbarino's ranch?

24 A Well, my Compadre Chapo was christening a child for my
25 Compadre Barbarino.

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1 Q Who else was at this baptismal party?

2 A Well, apart from my Compadre Chapo, it was my dad, me,
3 Pollo, my Uncle Rey, and many other people.

4 Q Who brought the priest?

5 A My Uncle Rey got him.

6 Q What happened when your Uncle Rey brought the priest into
7 the party?

8 A Well, my Compadre Chapo introduced himself to the priest
9 giving his name, I'm Joaquin Guzman Loera. We cannot turn
10 around and laugh at this because at that time my Compadre Chapo
11 was being pursued all over Mexico, he was all over the news.

12 Q What was the priest's reaction?

13 A Well, the man did -- he made a face like this and then he
14 went on to do his job.

15 Q Were you present for any conversations between the
16 defendant and your dad on the evening of the baptismal party?

17 A Well, I stayed with them until dawn, until the early
18 morning hours. They were talking at a table together and they
19 were talking about business and the future, their partnerships,
20 the things they had already talked about in other meetings.

21 Q Were there any details from that conversation that you
22 recall?

23 A Well, pretty much the same ones, that my father was
24 working with Arturo Vicente, they were receiving coke and that
25 he was going to give back -- give half to Chapo and that he

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1 would give him any information about any operation against him.

2 Well, my Compadre Chapo said thank you, and he still
3 said that he was going to seek out his connections and he was
4 going to start working but that everything that he would get
5 half of it would be my dad's.

6 THE COURT: At a convenient time.

7 MS. LISKAMM: This is a good time.

8 THE COURT: We'll take our morning break, ladies and
9 gentlemen, 15 minutes. Please don't talk about the case
10 amongst yourselves. See you at 11:25.

11 (Jury exits courtroom.)

12 THE COURT: Everyone be seated for a minute. Let's
13 talk about scheduling. How much longer do you estimate for
14 this witness?

15 MS. LISKAMM: Your Honor, I am a fifth of the way
16 down.

17 THE COURT: Okay, so you expect it to take most or all
18 of the day at least?

19 MS. LISKAMM: Yes.

20 THE COURT: Okay. All right, that's all I need to
21 know. Thank you. 11:25.

22 (Recess.)

23 (In open court.)

24 THE COURTROOM DEPUTY: All rise.

25 THE COURT: Let's bring in the jury, please.

Zambada Niebla - Direct/Liskamm

1 (Jury enters courtroom.)

2 THE COURT: Everyone be seated. Let's continue.

3 MS. LISKAMM: Thank you, Your Honor.

4 Q Mr. Zambada, are you aware of anyone in the cartel using
5 trains to smuggle drugs into the United States?

6 A I heard at one point in time my dad and his partner at the
7 time, Vicente Carrillo Fuentes, talking about some trains.

8 Q Who is Vicente Carrillo Fuentes?

9 A He is originally from Sinaloa, he's brothers with my
10 Compadre Amado Carrillo Fuentes, the Lord of the skies.

11 Q What area did Vicente Carrillo Fuentes control?

12 A Ciudad Juarez, Chihuahua.

13 Q Showing you what's already in evidence as Government's
14 Exhibit 10, who is that?

15 A He is my namesake, Vicente Carrillo Fuentes.

16 Q You say "namesake," what is the Spanish word for that?

17 A "Tocayo." Vicente Carrillo Fuentes.

18 Q Thank you. I just had to put that on the record.

19 Are you aware of any nicknames for Vicente Carrillo
20 Fuentes?

21 A They call him "Viceroy."

22 Q When did your dad start working with Vicente Carrillo
23 Fuentes?

24 A Well, they know each other since the '80s when my father
25 was partners with my Compadre Amado Carrillo Fuentes.

Zambada Niebla - Direct/Liskamm

1 In fact, my dad is also my namesake Vicente Carrillo
2 Fuentes' Godfather. Confirmation Godfather, that's why my
3 dad's nickname is El Padrino.

4 Q Did there come to be a time where your dad's relationship
5 with Amado Carrillo shifted to Vicente Carrillo?

6 A Yes, at the time that my Compadre Amado Carrillo died.

7 Q When was that?

8 A He died on July 4th, 1997.

9 Q How did he die?

10 A He was having plastic surgery and that caused his death.

11 Q I'm going to show you what's been already marked in
12 evidence as Government's Exhibit 502 again.

13 You said that Vicente Carrillo controlled Juarez; is
14 that correct?

15 A Yes.

16 Q Could you circle on the screen in front of you where
17 Juarez is located. Thank you.

18 Going back to the conversation you overheard between
19 your dad and Vicente Carrillo Fuentes, what specifically were
20 they discussing about the train route?

21 A Well, at the time I went to visit my dad at a place called
22 Gomez Palacio, Durango, it was an office that my dad had and my
23 namesake Vicente went there to say hello to him, to my dad.
24 And there came a time when I was sitting together with them in
25 the living room and my namesake Vicente was telling my dad that

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1 he had another way of crossing the drugs over to the United
2 States, a new way, and more specifically to bringing them to
3 Chicago, Illinois. And my namesake Vicente said that it was by
4 trains, and he was pretty much telling my dad about it and at
5 the same time he was asking his authorization, since he was the
6 boss, and my dad said it was fine. My dad asked him about the
7 details and I heard that my namesake Vicente said that the coke
8 was going to be delivered in Mexico City and that it was then
9 going to be sent by trains to Chicago, Illinois.

10 Q Who was receiving the drugs in Chicago, Illinois?

11 A My namesake Vicente said that he had already tested out
12 that train and that he had a person who was in charge in
13 Chicago by the name Armando Corral.

14 Q Did Armando Corral have a nickname?

15 A He was known as Guero Corral.

16 Q After the defendant escaped from jail, are you aware of
17 any meetings among the cartel leadership in Torreon?

18 A Yes, I was present.

19 Q Tell us what happened.

20 A Well, my dad called me in and he said that if it was
21 actually possible for me to go pick up my Compadre Chapo via
22 helicopter up in the mountains and to take him to the meeting
23 in Gomez Palacio in Durango. I picked up my compadre in the
24 helicopter that belonged to me and my dad, we flew to the city
25 of Gomez Palacio, Durango.

Zambada Niebla - Direct/Liskamm

1 Q When you say "compadre," who are you referring to?

2 A My Compadre Chapo.

3 Q Please continue.

4 A So we got to Gomez Palacio in Durango, meaning my Compadre
5 Chapo and I, we went to my house, it was my property. My dad
6 arrived to my house, my Compadre Chapo and him greeted each
7 other, and my dad and my Compadre Chapo already knew that
8 Arturo Beltran Leyva was going to get to Gomez Palacio that
9 night or maybe the next day, and that my dad told my Compadre
10 Chapo that my namesake, Vicente Carrillo Fuentes, was already
11 there in Gomez Palacio, Torreon.

12 I would like to clarify something, Gomez Palacio is in
13 the state of Durango and Torreon is in the state of Coahuila
14 and, you know, they look like they are the same city, but the
15 thing is that there is a bridge that separates the two states,
16 the state of Durango and the state of Coahuila.

17 Q Since we have Government's Exhibit 502 up on the screen,
18 can you identify where Gomez Palacio and Torreon are on the
19 map.

20 A (Indicating.)

21 Q And Gomez Palacio?

22 A Here (indicating).

23 Q Okay. So where did the meeting actually occur?

24 A In Gomez Palacio, at my house.

25 Q Who was present for the meeting at your house?

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1 A Well, my house was pretty much used as a point of
2 connection, a meeting point -- interpreter correction -- and
3 that that was my dad, my Compadre Chapo and my dad.

4 Q What was discussed at the meeting at your house?

5 A Well, they spoke about business, about their partnership
6 between my dad, my Compadre Chapo, Arturo and Vicente at the
7 time. And as far as I understand, that was the first time that
8 my Compadre Chapo was going to be able to greet my namesake
9 Vicente after he had actually escaped from jail. That's what I
10 understood.

11 Q After meeting at your house with your dad, the defendant,
12 and Arturo Beltran Leyva, where did they go next?

13 A Well, one of those days they went to meet up with my
14 namesake Vicente Carrillo Fuentes, but I was not present during
15 that meeting. So it was my dad and my Compadre Chapo and
16 Arturo Beltran Leyva, they went to meet my namesake Vicente.

17 Q After they met with Vicente Carrillo Fuentes, where did
18 they go next?

19 A They went back to my house again.

20 Q What was discussed when they returned back to your house?

21 A Well, you know, they were eating, we were all sitting at
22 the table, they were talking about how they had gone to see
23 Vicente Carrillo. My Compadre Chapo had been very pleased that
24 he was able to greet Vicente after so many years. And my dad,
25 Arturo and Chapo, they spoke about business, about drug

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1 trafficking, about the future. And my Compadre Chapo mentioned
2 that also my namesake Vicente had offered him any help,
3 anything that he needed, that is, Vicente. And in common
4 between all of them they were talking about business, about
5 their partnership and about drug trafficking.

6 Well, then nighttime came and my dad went over to a
7 place where actually nobody knows where it is, his house, and
8 my dad had gotten another place for my Compadre Chapo for him
9 to stay the night as well. And they said, like, just to
10 clarify, I did not know where they slept. And the only one who
11 stayed at my house was Arturo Beltran, he said he did not need
12 another house and that he would stay with me.

13 Q Mr. Zambada, when did these meetings occur?

14 A That was beginning 2002.

15 Q Are you aware of anyone that goes by the name of Lalo?

16 A Yes, I know a person whom they call Lalo.

17 Q Who is that?

18 A Well, the one I know as Lalo is a person by name the
19 Eduardo Gonzalez Quirarte.

20 Q Where was he working?

21 A Well, you know, he was in Jalisco but he was also in
22 Juarez in Chihuahua, he was working for my dad, for my Compadre
23 Amado, and that was in the '90s.

24 Q Showing you Government's Exhibit 83 that's already in
25 evidence. Who is this?

Zambada Niebla - Direct/Liskamm

1 A That's Eduardo Gonzalez Quirarte, Lalo.

2 Q Do you know him by any other nickname?

3 A We would call him El Flaco.

4 Q And to be clear, what organization, drug trafficking
5 organization did he work for?

6 A For the Sinaloa Cartel, for my dad and for my Compadre
7 Amado at the time.

8 Q And briefly, because I know this is a long story, can you
9 just summarize what happened to Lalo?

10 A He shot himself in the head. Got shot.

11 Q Approximately when was this?

12 A Approximately at the end of '98.

13 Q Did he survive?

14 A Yes, he did survive that shot one.

15 Q Okay. We've been talking about the relationship between
16 your dad, the defendant, and the Carrillos.

17 A Yes.

18 Q Did there come to be a time where that relationship
19 changed?

20 A Yes, there came a time when it changed.

21 Q And when was that?

22 A Well, that was actually came about the beginning of 2003.

23 Q And what, if anything, occurred in 2004 with respect to
24 the relationship between the defendant, your father, and the
25 Carrillos?

Zambada Niebla - Direct/Liskamm

1 A Well, there came a time when he made the decision to kill
2 Rodolfo Carrillo Fuentes, who was brothers with my Compadre
3 Amado Carrillo and Vicente Carrillo Fuentes.

4 Q Who is "he" that made that decision?

5 A My dad and my Compadre Chapo.

6 Q When was Rodolfo Carrillo killed?

7 A September 11th, 2004.

8 Q At this time in 2004, who was in charge of the defendant's
9 security?

10 A Well, you had several people, but at the time a person who
11 was really close to him and who was in charge of the security
12 was Negro, another one by the name of Fantasma, and another one
13 and the person called Licenciado Rios.

14 Q Why was there conflict between your father, the defendant
15 and the Carrillos at this time?

16 A Well, Rodolfo started getting into problems with my
17 Compadre Chapo's people who were in Navolato.

18 Q Sorry, I'm going to stop you right there. I'm showing you
19 again Government's Exhibit 502. Can you just point out to the
20 ladies and gentlemen of the jury where Navolato is located?

21 A Well, Navolato is not shown here, but this is where
22 Culiacan is.

23 Q In that general area that you just circled?

24 A Right here by the coast, that's where Navolato is.

25 Q Okay. Thank you.

GEORGETTE K. BETTS, RPR, FCRR, CCR
Official Court Reporter

Zambada Niebla - Direct/Liskamm

1 So what was occurring in Navolato in 2004?

2 A Well, you know at that time, you know, the decision was
3 made to kill Rodolfo Carrillo. I mean there had been meetings
4 that had taken place between Rodolfo Carrillo, Vicente Carrillo
5 and my dad because my Compadre Chapo -- and my Compadre Chapo
6 because my Compadre Chapo did not want to get in trouble or
7 have issues with the Carrillos.

8 Q Before we talk about the meetings, what was happening
9 leading up to the meetings in Navolato?

10 A Well, Rodolfo Carrillo Fuentes and his people they were
11 killing my Compadre Chapo's people and they wanted to get them
12 out of Navolato.

13 Q Okay. As a result of these murders, what happened next?

14 A Well, that Rodolfo Carrillo Fuentes was murdered because
15 of it. That's why they had had several meetings in Navolato
16 where my father mediated in those meetings. I was present at
17 all of those meetings. I took my Compadre Chapo to those
18 meetings in Navolato. My Compadre Chapo did not want to fight
19 with them, he wanted to talk to them so they could fix
20 everything that was going on.

21 Q How many meetings were there?

22 A Well, there were meetings that I went with my Compadre
23 Chapo, there were about four, and there were others that I went
24 with my father to talk about the same thing that was going on.

25 Q Who attended these meetings?

Zambada Niebla - Direct/Liskamm

1 A The first I was present, my Compadre Chapo, my dad,
2 Rodolfo Carrillo Fuentes, Vicente Carrillo Fuentes. We would
3 come out of the meetings saying that everything was going to
4 work out fine, the same thing kept happening with Rodolfo.
5 Meaning that he was making problems with my Compadre Chapo's
6 people in Navolato.

7 Q What do you mean by problems?

8 A Well, that he would kill a person or he would have the
9 government raid an office that belonged to my Compadre Chapo.
10 He was just annoying and bothering my Compadre Chapo's people
11 in Navolato. And even one of the closest people to my Compadre
12 Chapo that I mentioned, Licenciado Rios, was arrested and he
13 was detained by the army and we had information through our
14 contacts that it was Rodolfo Carrillo who had sent them to get
15 him.

16 Q So you have this first meeting and then there is more
17 murders, what happens next?

18 A Well, by the fourth meeting it was my Compadre Chapo, my
19 dad, also Azul was there, Jose Esparragoza, I was there,
20 Vicente Carrillo Fuentes, Rodolfo Carrillo Fuentes.

21 What I noticed and realized at that meeting was
22 Rodolfo did not want to fix things, what he wanted to do is to
23 fight instead of reaching an agreement. And so much so that he
24 wouldn't even let his brother talk, he wouldn't let Vicente
25 talk, the only one who spoke was Rodolfo. He was yelling and

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1 he would say bad things about my Compadre Chapo's people. And
2 there was a point when I came outside, I was kind of in touch
3 with a lot of people around the area by radio, Azul came
4 outside with me and he told me that the situation inside was
5 really bad, that he couldn't see any things being fixed,
6 meaning these problems between the Carrillo Fuenteses and my
7 Compadre Chapo.

8 And even though it's a war and a war is never good,
9 the truth is that my Compadre Chapo was the one who was right.
10 His people were being bothered and killed and his own people
11 were telling him that he wasn't defending them.

12 Q What did Chapo want to do as a result of this?

13 A To kill Rodolfo Carrillo Fuentes.

14 Q Did the defendant have a conversation with your father
15 about that?

16 A Yes, yes.

17 Q What did they discuss?

18 MR. BALAREZO: Objection 602.

19 THE COURT: More foundation. How does he know?

20 BY MS. LISKAMM::

21 Q Mr. Zambada, were you present for the conversation between
22 your dad and the defendant?

23 A Yes.

24 Q And what did they discuss?

25 A It was a ranch of mine near Culiacan, my dad was there,

Zambada Niebla - Direct/Liskamm

1 Azul was there at the time and my Compadre Chapo.

2 At that time we had other meetings and there was no
3 resolution in view for the Rodolfo Carrillo Fuentes thing. And
4 because my dad was caught in the middle of all of this, my
5 Compadre Chapo said that this couldn't go on like this, that he
6 had to kill Rodolfo Carrillo Fuentes because this could not
7 continue. And my Compadre Chapo asked for authorization from
8 my dad, he asked him if he was in agreement with him because
9 they were partners. My Compadre Chapo said that he knew of the
10 relationship that my dad had with the Carrillo Fuenteses and
11 that, in fact, he also respected them and cared about them but
12 that this could not go on as it was.

13 And my dad says, no, I'm with you, go ahead. This has
14 no solution. You are right, you're in the right and we have to
15 kill Rodolfo -- Rodolfo Carrillo Fuentes must be killed.

16 So my Compadre Chapo said that he would take care of
17 that, of killing Rodolfo Carrillo Fuentes.

18 My dad says, I am with you and let's go ahead with
19 that. We -- we tried and they don't want to understand,
20 they're not respecting anyone, they're not respecting the
21 families, so let's go ahead.

22 So my father was in agreement too in this point that
23 my Compadre Chapo would kill Rodolfo Carrillo Fuentes, and Azul
24 also at that time.

25 (Continued on the next page.)

Zambada Niebla - Direct/Liskamm

1 (In open court.)

2 DIRECT EXAMINATION

3 BY MS. LISKAMM (continuing):

4 Q You've mentioned Azul a couple times. Who is Azul?

5 A He is originally from Culiacan. He is Juan Jose
6 Esparragoza Moreno and Azul. He's another leader of the
7 Sinaloa Cartel, a compadre of my Compadre Chapo, and good
8 friends with my father, and a leader since the '80s.

9 Q After the defendant had this conversation with your father
10 about Rodolfo Carrillo, who did the defendant send to kill
11 Rodolfo Carrillo?

12 MR. BALAREZO: Objection.

13 THE COURT: Ask him, if he knows, how he knows.

14 BY MS. LISKAMM:

15 Q Mr. Zambada, do you know who the defendant sent to kill
16 Rodolfo Carrillo?

17 A Yes.

18 Q How do you know?

19 A I heard him and my dad, I was present, and I found out who
20 it was going to be.

21 Q From who?

22 A From my Compadre Chapo.

23 Q Who did the defendant send to kill Rodolfo Carrillo?

24 A Well, he said he was going to send his people, and at that
25 time, he sent a person who was known as El Negro.

Denise Parisi, RPR, CRR
Official Court Reporter

Zambada Niebla - Direct/Liskamm

1 Q Who is El Negro?

2 A Well, Negro is one of -- someone who is very close to my
3 compadre, he was his bodyguard, you could say. He was ex
4 military.

5 Q How many times have you met El Negro?

6 A It's several times.

7 MS. LISKAMM: For the witness only.

8 BY MS. LISKAMM:

9 Q Showing you what's been marked as Government's Exhibit 105
10 for identification.

11 Mr. Zambada, do you recognize that person?

12 MR. BALAREZO: We have no objection, Your Honor.

13 MS. LISKAMM: Moved into evidence?

14 THE COURT: Received.

15 BY MS. LISKAMM:

16 Q Mr. Zambada, who is that?

17 A El Negro.

18 Q Okay. And who did Negro report to?

19 A Directly to my Compadre Chapo.

20 Q Do you know Negro by any other nicknames?

21 A Yes. We also knew him as Bravo.

22 Q Going back to Rodolfo Carrillo's murder, you said that
23 happened on September 11th, 2004?

24 A Yes.

25 Q Where were you that day?

Zambada Niebla - Direct/Liskamm

1 A In Culiacan. In the city of Culiacan.

2 Q Did you learn the events that occurred on that date?

3 A Yes. As I said, my dad knew about it, I knew -- I was
4 told to be on the -- just waiting to see if Compadre Chapo's
5 people would need any support or help, meaning that I was on
6 the radio with all of Compadre Chapo's people, and I was
7 listening to everything that was going on.

8 Q What do you mean you were on the radio?

9 A It's a portable radio with a repeater that we use to
10 communicate so that we don't use phones.

11 Q When you say "we," do you mean other members of the
12 cartel?

13 A Yes. All the people -- my people, my father's people,
14 Compadre Chapo's people, we were all together on the same
15 frequency.

16 Q And who instructed you to listen to the radio that day?

17 A Well, my Compadre Chapo, my father, and myself, because I
18 had my own personal radio. I was listening in. In this case,
19 my dad, because we knew what was going to happen, and if
20 El Chapo's -- if my Compadre Chapo's people needed any help, I
21 should help.

22 Q What did you hear over the radio that day?

23 A Well, I heard that my Compadre Chapo's people, in this
24 case, El Negro, had located Rodolfo Carrillo Fuentes; that he
25 had come in from Navolato to Culiacan and that he had gone into

Zambada Niebla - Direct/Liskamm

1 a mall -- Rodolfo had.

2 Q And what did you learn happened next?

3 A Well, they were there waiting for him to come out and when
4 Rodolfo Carrillo Fuentes came out, he was murdered by my
5 Compadre Chapo's people.

6 Q And who was with Rodolfo that day?

7 A Well, he had a security team that were judicial state
8 police, and his wife was with him.

9 Q What happened to his wife?

10 A Unfortunately, she was killed in the shootout that
11 occurred between Compadre Chapo's people and Rodolfo's people
12 who were state judicial police.

13 Q Who was in charge of Rodolfo's security that day?

14 A A commander of the judicial state police for -- named
15 Pedro Perez.

16 Q And what happened to Pedro Perez that day?

17 A Pedro Perez was wounded in the leg that day as a result of
18 the confrontation in the death of Rodolfo Carrillo.

19 Q What did you hear over the radio after Rodolfo Carrillo
20 was murdered?

21 A There was a confrontation between my Compadre Chapo's
22 people and the people from the state judicial police. They
23 were following my Compadre Chapo and there was a confrontation
24 with the state police of Sinaloa.

25 Q And was there any help requested over the radio?

Denise Parisi, RPR, CRR
Official Court Reporter

Zambada Niebla - Direct/Liskamm

1 A Yes. I immediately called a commander in that I -- my --
2 I called a judicial state police, the municipal police, and
3 then inter-municipal police to tell them to stop the pursuit of
4 El Chapo's people saying it was our people.

5 Q What other sicarios were present on the day that Rodolfo
6 Carrillo was murdered?

7 A I heard that Fantasma was also, you know, waiting and
8 aware of what was going on, and also my father's people were
9 also watching to see.

10 Q How many times have you met Fantasma?

11 A On many occasions.

12 MS. LISKAMM: For the witness only.

13 BY MS. LISKAMM:

14 Q Showing you what's been marked as Government's Exhibit 91
15 for identification.

16 MR. BALAREZO: No objection, Your Honor.

17 THE COURT: Received.

18 (Government's Exhibit 91 received in evidence.)

19 (The above-referred to exhibit was published.)

20 BY MS. LISKAMM:

21 Q Mr. Zambada, who is this in Government's Exhibit 91?

22 A That is Fantasma.

23 Q And what is Fantasma's background?

24 MR. BALAREZO: Objection.

25 THE COURT: Overruled. I think there's a foundation.

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1 A What I know is that he was ex military.

2 Q How do you know that?

3 A He told me -- he told me about it himself, personally,
4 that he had been military, and other people like Juancho told
5 me too.

6 Q Okay. So let's move on.

7 After Rodolfo Carrillo's murder, what happened to his
8 brother Pollo?

9 A My Compadre Pollo had been -- was in jail. He had been
10 arrested years before and he was at Puente Grande Prison in
11 Toluca.

12 Q And I just want to clarify. We've referred to him as both
13 Pollo and Pollito; is that correct?

14 A Yes, that's correct.

15 Q What's the difference between the two?

16 A Well, the people who are closer to him, meaning people who
17 had a friendship with him, we would call him Pollito because
18 it's the diminutive. It's -- I mean, he was also short, and he
19 was also my Compadre Chapo's youngest brother.

20 Q Okay. And you mentioned that he had been arrested?

21 A Yes, he was. He was arrested.

22 Q How did you learn about his arrest?

23 A Well, we had a very close and direct relationship, so I
24 found out directly the moment that he was arrested from
25 Juancho, my Compadre Chapo, my dad, that, you know, Pollito had

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1 been arrested.

2 Q Was this the first time that Pollo had been arrested?

3 A Well, years back, he had told me that he had been arrested
4 here in the United States.

5 Q Did he mention where?

6 A He told me that he had been arrested in California -- in
7 the state of California.

8 Q Okay. After Pollo's arrest, who took over his role for
9 Chapo in the organization?

10 A Well, the time my Compadre El Juancho had a very close
11 relationship to him, and he was in charge of everything for my
12 Compadre Chapo.

13 Q What prison was Pollo being housed at?

14 A In Toluca, in the state of Mexico in Altiplano.

15 Q Were there ever any plans to try to help Pollo escape from
16 that prison?

17 A Well, when he was arrested, yes, there was a comment that
18 was made, you know, between my Compadre Chapo, me, Juancho, my
19 dad, to see if it was actually an option to get him out.

20 Q And what was that comment?

21 A Well, the comment was to try to get him out, to see if we
22 could actually coordinate an escape and my Compadre Chapo had
23 already been there, and when you get taken out to the yard --
24 and I was also there myself -- you have the chance to go out
25 there for about an hour so that you can get some sun, and so

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1 the idea was to get a helicopter or a rope so maybe we could
2 pull him up.

3 Q Okay. Was there anything that was going to be attached to
4 the rope to help Pollo escape?

5 A Well, it was actually after that comment, you know,
6 between my Compadre Chapo, my dad and all of us together, it
7 was then Juancho and myself, you know, together in the office
8 as we were the ones who were talking about how to get Pollo
9 out, and that was just between us, Juancho and myself, and one
10 of the things -- I mean, the idea was then to purchase a
11 helicopter so that we could pull him out, but as we were
12 pulling him out in a rope, that he could be shot at, and in
13 order to get him out and escape, then we could just make a
14 steel bubble so that we would cover him and he could then
15 escape from there. But I would like to clarify that those were
16 the plans that Juancho and I had been making.

17 Q Understood.

18 Were you able to effectuate these plans to help Pollo
19 escape?

20 A No, we didn't do it.

21 Q Why not?

22 A Well, my Compadre Chapo was murdered right inside of the
23 jail -- excuse me, I would like to clarify. It was my Compadre
24 Pollo who was killed inside of the jail.

25 Q When was that?

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1 A On January 31st, 2004.

2 Q Okay. And how did you learn about that?

3 A 2004.

4 Q Okay. How did you learn about his death?

5 A Well, my dad called me and he said that his government
6 connections were calling him, they were calling him from Mexico
7 City, and they were saying that at the time they were actually
8 transferring to the Altiplano Jail because my Compadre Pollo
9 had been murdered and that he didn't want to talk to my
10 Compadre Chapo at the time, he just wanted to make sure that
11 that was the case, and he wanted me to talk to Juancho to see
12 if my Compadre Chapo already knew. And I was really shocked
13 because I told my dad that it hadn't even been an hour ago that
14 I had talked to my Compadre Pollo when he was in the jail, and,
15 you know, I had been the last person to talk to him, and it
16 just seemed to me that it was just impossible that that was
17 going to happen.

18 Q You said that you spoke to Pollo about an hour before he
19 was killed. What did you discuss with him?

20 A Well, you know, it was, like, you know, a call between
21 friends. He had asked me about my family, he asked me about my
22 dad, he wanted to know how we were. I asked him the same
23 thing. It was actually the first time that we spoke after he
24 had been arrested. And then for that, you know, my dad, my
25 Compadre Chapo, and I, I mean, we already knew of plans that

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1 they wanted to have my Compadre Pollo killed in jail, and as
2 far as I understand, my Compadre Pollo also was aware of that.
3 We had already sent information to him that somebody wanted to
4 kill him, and at the time of the call, I told my compadre to
5 please take care of himself and for him not to go out because
6 we knew that there was a plan to kill him on New Year's Eve.
7 And he told me don't worry, compadre, everything is fine, just
8 say hello to your family, to your dad. Everything is fine.

9 THE COURT: Ms. Liskamm, do we need this level of
10 detail on this?

11 MS. LISKAMM: Your Honor, it ties into other parts of
12 the case.

13 THE COURT: I mean, I'm assuming it does, but let's
14 try to get there.

15 MS. LISKAMM: Understood, Your Honor.

16 BY MS. LISKAMM:

17 Q Mr. Zambada, you just mentioned New Year's Eve, and you
18 previously mentioned that the murder occurred on January 31st.
19 Are those dates correct?

20 A Sorry, I made a mistake. It was December 31st.

21 Q Okay. And just briefly, so we can move this along, who
22 did you learn was behind the murder of Pollo?

23 A Well, the information that we had -- my dad, my Compadre
24 Chapo and I -- was that it was Benjamin Carrillo Fuentes --

25 THE INTERPRETER: Interpreter correction.

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1 A -- Benjamin Arellano Felix, Osciell Cardenas and Vincente
2 Carrillo Fuentes.

3 Q Now, you discussed multiple times the conflict going on
4 with the Arellano Felix family. When did that start?

5 If I can just clarify, I will just ask the question
6 again just to make sure the interpretation is correct.

7 You have mentioned multiple times a war going on with
8 the Arellano Felix family.

9 A Yes.

10 Q When did that conflict start?

11 A Well, with my dad, it started around 1992, but before that
12 with my Compadre Chapo, it had started around the '80s.

13 Q What happened in the '80s to start this conflict?

14 MR. BALAREZO: Objection.

15 THE COURT: Break it down.

16 BY MS. LISKAMM:

17 Q Mr. Zambada, were you present for a birthday party for
18 your father in 1988?

19 A Yes.

20 Q Okay. What did you see happen at that party?

21 A Well, Ramon Arellano Felix, one of the Arellano Felix's
22 brothers, killed one of my Compadre Chapo's compadres at my
23 dad's party.

24 Q Who was that compadre to the defendant?

25 A He was called Armando Lopez, alias El Rayo Lopez.

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1 Q After El Rayo Lopez was killed by the Arellano's, are you
2 aware of any meetings in Mexico City after that?

3 A Well, you know, I wasn't present, but then it was my dad
4 and Amado Carrillo Fuentes. They had actually gone to Mexico
5 City to have a meeting -- my dad, Amado Carrillo Fuentes, my
6 Compadre Chapo, Guero Palma, and the Arellano's -- to look into
7 that as to what had happened.

8 Q You mentioned Guero Palma. Who is that?

9 A He is from Culiacan. That's Hector Salazar Palma alias El
10 Guero Palma.

11 Q Showing you what's already in evidence as Government's
12 Exhibit 8.

13 (The above-referred to exhibit was published.)

14 BY MS. LISKAMM:

15 Q Who is this?

16 A That's Hector Palma Salazar and Guero Palma.

17 Q And who was he partners with?

18 A Well, I knew that he was partners with my Compadre Chapo,
19 he was friends with my Compadre Chapo.

20 Q During what time period was he partners with the
21 defendant?

22 A End of the '80s, beginning '90s.

23 Q Okay. Going back to the meeting in Mexico City, what did
24 your dad say occurred at that meeting?

25 A Well, at the time, they had reached peace, you know,

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1 everything was fine between the Arellano's, with my Compadre
2 Chapo, and at the time my Compadre Chapo was living a few times
3 a year in Guadalajara, and they said everything was fine with
4 Ramon Arellano and everything.

5 Q So there was a peace at the end of that meeting?

6 A Yes.

7 Q You mentioned Guadalajara. What happened next in
8 Guadalajara between the defendant and the Arellano Felix's?

9 A Well, after the peace and after some time occurred between
10 my dad and Amado Carrillo Fuentes, my compadre, that Ramon had
11 wanted to kill my Compadre Chapo.

12 Q Okay. What did you learn happened?

13 A Well, my dad was really upset because he was in the middle
14 of everything, and then Ramon -- well, my Compadre Chapo was in
15 Guadalajara, and he had bumped into Ramon, and my Compadre
16 Chapo had stopped the car so that he could say hello to Ramon,
17 and Ramon just started shooting at him.

18 Q Okay. After this incident in Guadalajara, are you aware
19 of any incidents occurring between the defendant and the
20 Arellano Felix's in Vallarta?

21 A Yes, I do know about that.

22 Q Okay. Did you hear your dad talk about that incident?

23 A Well, I was with my dad, and when my Compadre Amado pretty
24 much called him, talked to him, and they were saying how
25 Benjamin Arellano Felix had called and that my Compadre Chapo

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1 had blamed -- even blamed my dad, that they had wanted to kill
2 him at a discotheque in Vallarta.

3 Q Kill who?

4 A The Arellano Felix brothers.

5 Q When did this incident occur?

6 A I remember that it was in September of '92 -- 1992.

7 Q At any point later on, did you have any conversations with
8 the defendant about what happened that day?

9 A Yes, at times. At times up in the mountains in Culiacan.

10 Q And what did the defendant say happened that day?

11 A Well, because of what had happened because Ramon had
12 wanted to kill him, my compadre had decided to kill the
13 Arellano Felix brothers -- that is my Compadre Chapo -- and the
14 information that my compadre had and that Guero Palma had at
15 the time was that all of the Arellano Felix brothers were at a
16 discotheque in Vallarta, and that my Compadre Chapo and Guero
17 Palma had also sent their people to that discotheque to kill
18 the Arellano Felix's.

19 Q What was the name of the discotheque?

20 A El Cristine.

21 Q And was the defendant successful in killing any of the
22 Arellano Felix brothers that night?

23 A No. None of the Arellano Felix's brothers died in that
24 armed confrontation.

25 Q After this incident at the Cristine's Discotheque, what,

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1 if any, interactions did you have with the Arellano Felix
2 family?

3 A Well, that happened in '92. Two months later, I went --
4 after what had happened at Cristine's, I went to Tijuana with
5 my compadre, Amado Carrillo Fuentes.

6 Q And what happened when you went to Tijuana?

7 A Well, I went with my Compadre Amado, I went there to a
8 party, it was like a nightclub, and the next day he was meeting
9 up with the Arellano Felix's brothers; that is, my Compadre
10 Amado.

11 Q And did you attend that meeting?

12 A Yes, I was there. I was with my Compadre Amado, and he
13 told me, yeah, we are going to go and see Benjamin Felix
14 Arellano; and because there was already a problem between the
15 Arellano Felix's and my dad, he just told me to stick close to
16 him and not to worry; and that same night, my Compadre Amado
17 and I went to see or meet up with the Arellano Felix's
18 brothers.

19 Q Where in Tijuana did you meet with the Arellano Felix
20 brothers?

21 A It was a house that belonged to the Arellano Felix's, a
22 security house, an office.

23 Q What did you observe when you arrived at that location?

24 A When my Compadre Amado and I arrived, there were a lot of
25 armed people at that house.

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1 Q What happened next?

2 A Well, me and my Compadre Amado went in, we came together
3 in the car, and then Benjamin Arellano was waiting for us.
4 When Benjamin Arellano Felix says hi to my Compadre Amado, he
5 realized that I'm standing next to my Compadre Amado. Benjamin
6 is surprised and he says -- he asked me, What are you doing
7 here? My Compadre Amado says, He's with me. He doesn't have
8 anything to do with this, he's just with me.

9 We went into the house, they went to the living room,
10 I stayed in the kitchen of the house.

11 Q Was Ramon there at the house?

12 A Ramon wasn't there in the house.

13 Q Okay. At a certain point, were you asked to leave the
14 kitchen?

15 A Yes. Benjamin Arellano Felix and my Compadre Amado called
16 me into the living room to -- where they were talking.

17 Q And what happened in the living room?

18 A When I went in, they were talking about a person called
19 Rafael Aguilar Guajardo. Benjamin told my Compadre Amado that
20 he was in communication with Rafael Aguilar Guajardo so that --
21 and that Rafael Aguilar Guajardo was going to go kill my
22 father; and he asked my Compadre Amado to ally himself to them
23 -- to the Arellano Felix's -- to kill my Compadre Chapo and my
24 father. My Compadre Amado said -- said that he knew they had a
25 problem with my Compadre Chapo, but that they had gone looking

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1 for that problem and that one of the reasons that he was there
2 in Tijuana was to speak for my father, that he didn't want any
3 problem, and that if they wanted to kill my father, they would
4 have to kill him first.

5 There came a moment when the situation became tense.
6 I was present there and there came a point when Benjamin
7 Arellano Felix was screaming in my face, and he was telling me
8 that he was going to kill my father. He said, with a lot of
9 curse words, that he was going to kill El Chapo Guzman and El
10 Guero Palma too; El Chapo and your father are going to regret
11 not having killed us in the discotheque. I just, like, was
12 looking at him; I didn't have anything to do with this.

13 Q What happened next?

14 A The meeting was over, like, at 1:00 a.m. or 2:00 a.m. in
15 the morning of that day or the next day. We came out of the
16 house and my Compadre Amado says we were going to go straight
17 to the airport. He told me that it was better to leave at
18 once, we weren't going to go pick up our things at the hotel --
19 our clothes.

20 Q How did you feel when you left that meeting?

21 MR. BALAREZO: Objection. 401.

22 THE COURT: Sustained.

23 BY MS. LISKAMM:

24 Q After that meeting, where did you go?

25 A We went to the airport. My Compadre Amado had two private

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1 planes waiting for us, Learjets. That same night, we flew to
2 the city of Hermosillo. The reason was that my Compadre Amado
3 told me that he didn't trust Ramon. He had been around, in the
4 surroundings of the house, and he could have done something --
5 he could do something to us.

6 Q After you landed in Hermosillo, where did you go?

7 A I rested for a few hours in my Compadre Amado's house, and
8 then he sent me on to Culiacan by myself by private plane.

9 Q When you arrived back in Culiacan, did you speak with your
10 father?

11 A Yes. He sent someone to receive me at the airport,
12 someone called Licenciado Gilberto Peraza, to take me over to
13 the house.

14 Q And what did you discuss with your dad?

15 A Well, my dad asked me what was it that had happened in
16 Tijuana. I told him about what my -- what Benjamin had yelled
17 in my face, and curse words, and that he was going to kill him
18 and my Compadre Chapo. And he told my -- he told me that he
19 had spoken to my Compadre Amado, not to worry, to just not pay
20 any attention to this, and then he really scolded me because I
21 was supposed to get back the day before because I was going to
22 school still at the time.

23 Q Okay. I want to switch topics now and talk a little bit
24 about what was going on in Culiacan.

25 THE COURT: Good time to break for lunch?

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Official Court Reporter

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1 MS. LISKAMM: We can do that now.

2 THE COURT: We will take until 1:30, ladies and
3 gentlemen. Please remember, do not talk about the case. Enjoy
4 your lunch. See you back here in about 55 minutes.

5 (Jury exits.)

6 THE COURT: All right. Recess until 1:30.

7 MR. BALAREZO: Thank you, Your Honor.

8 (Lunch recess taken.)

9 (Continued on next page.)

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USA v. Guzman Loera

1 A F T E R N O O N S E S S I O N

2 (In open court.)

3 (Defendant present.)

4 THE CLERK: All rise.

5 THE COURT: All right. Jury, please.

6 (Jury enters.)

7 THE COURT: All right. Be seated, please. Ladies and
8 gentlemen, I know sometimes after you have had a big lunch --
9 it's this time of year and it's the afternoon -- it can tend to
10 make you lose focus a bit. So please keep paying attention and
11 bear in mind there is a tendency to lose focus; and focus just
12 as you have been during the whole trial. Thanks.

13 You may continue.

14 MS. LISKAMM: Thanks, Your Honor.

15 DIRECT EXAMINATION

16 BY MS. LISKAMM (continuing):

17 Q Mr. Zambada, let's talk about your role in Culiacan, from
18 2001 up until your arrest.

19 A Okay.

20 Q What were your responsibilities?

21 A As I said before, I was in charge of almost all my
22 father's businesses and for Compadre Chapo as well, the
23 logistics of receiving shipments from South America and Central
24 America, for those drugs to be taken to the border, to the
25 United States, to be sold; and I would receive the money in

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1 Culiacan.

2 Q Where were the loads of cocaine being received in Mexico
3 at that time?

4 A At the beginning of 2001 in the south of Mexico, Oaxaca,
5 Chiapas.

6 Q Who was responsible for the actual receipt of those loads?

7 A My father had two people in charge in southern Mexico
8 receiving the cocaine shipments.

9 Q Who were those people?

10 A One was Benny Contreras, Benito Contreras, and the other
11 one was named Markitos.

12 Q I'm showing you what's already in evidence as Government
13 Exhibit 44.

14 Who is this?

15 A That's Benny Contreras.

16 Q When you said Benny and Markitos would receive a load,
17 what contacts did you have with them after they actually
18 received the load?

19 MR. BALAREZO: Objection. Just a particular load or
20 in general over nine years?

21 THE COURT: The objection is overruled. You can
22 clarify that on cross, if you want.

23 A They would report directly with me and they would tell me
24 that the drug shipment had arrived in that case; and I would
25 pass on the message to my father and after that to my Compadre

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1 Chapo as well.

2 Q What happened to the cocaine once it was physically
3 received in southern Mexico?

4 A They were transported in tanker trucks over land to Mexico
5 City, and from Mexico City to Culiacan.

6 Q Who managed the receipt of those drugs in Mexico City?

7 A Well, the tanker trucks were handled by my Uncle Ray's
8 people. There were some people in charge of a warehouse there.
9 Once it was safe in the warehouse, they reported this to me;
10 and I would report it to my father.

11 Q Okay. And how were the drugs transported from Mexico City
12 up to the border?

13 A There was another team of tanker trucks, tractor trucks,
14 and the person who was in charge of that was a person called
15 Gonzalo Insunza, also called Macho Prieto. He was also in
16 charge of that kind of tanker truck.

17 Q Where was Macho Prieto from?

18 A He was originally from Culiacan, Sinaloa.

19 Q What was his role within the cartel?

20 A He was in charge of that team of tanker trucks to take the
21 drugs and transport them, but he was also in charge of my own
22 security and my father's security. He was the head of a team
23 of many sicarios.

24 Q Can you just describe how the drugs got from Mexico City
25 to the border?

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1 Whose drugs were being transported from Mexico City to
2 the border?

3 A Well, my father's, my Compadre Chapo. They were partners,
4 and sometimes Juancho would have some drugs in there. German
5 and I would have some in there as well sometimes.

6 Q You mentioned German. Who was that?

7 A He is one of my people, mine and my dad's, and he was in
8 charge for sometime for the plaza in Ciudad Juarez in
9 Chihuahua.

10 Q I'm showing you Government Exhibit 78, which is already in
11 evidence. Who is that?

12 A That's German.

13 Q And where was German crossing the drugs into the United
14 States?

15 A For some years, around 2006, he was crossing them over
16 through Ciudad Juarez in Chihuahua. It's the border with
17 El Paso.

18 Q I want to talk a little bit about where the drugs were
19 coming from.

20 The shipments that we have been talking about, what
21 country were they originating from?

22 A In Colombia.

23 Q Did you have any conversations with your dad about where
24 the cocaine was being -- who was supplying the cocaine in the
25 '90s?

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1 A Yes. I heard my father talk several times about his
2 Colombian partners, Colombians in this case.

3 Q Anyone in particular?

4 A He talked like at the end of the '80s and the beginning of
5 the '90s, he mentioned Juan Chupeta. He was one of the main
6 suppliers for my father and my Compadre Amado.

7 Q Who is Chupeta?

8 A Well, he is originally from Colombia, and what I know is
9 that he supplied the coke. I know that through my father and
10 my Compadre Amado.

11 Q Do you know his real name?

12 A I know it was Juan.

13 Q Did you ever meet anyone in Mexico who worked for Chupeta?

14 A Yes.

15 Q Who was that?

16 A A compadre of mine. They called him 33.

17 Q How did you know that 33 worked for Chupeta?

18 A He told me himself and in several meetings with my dad and
19 my Compadre Amado where I was present at.

20 (Continued on the next page.)
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Zambada Niebla - Direct/Liskamm

1 (In open court.)

2 DIRECT EXAMINATION

3 BY MS. LISKAMM (continuing):

4 Q Showing you what's already in evidence as Government's
5 Exhibit 80. Who is this?

6 A That is my Compadre 33.

7 Q What, if any, familial relationship did you have with 33?

8 A I christened one of his sons. I am the Godfather for the
9 baptism of one of his sons, one of 33's sons.

10 Q And you mentioned in the '80s and '90s -- strike that.
11 Who did 33 work with in the '80s and the '90s?

12 A Well, with my father, my Compadre Amado and he also
13 mentioned to me at some point that he was also seeing Guero
14 Palma, Hector Salazar Palma.

15 Q What did he mention about Guero Palma?

16 A Well he said he had met with him in Mexico City to do drug
17 trafficking business, you know, shipments of drugs,
18 specifically coke.

19 Q Who was Guero Palma's partner at this time?

20 A As far as I knew, my Compadre Chapo.

21 Q And let's move up to the 2000s, who was 33 working with in
22 the 2000s?

23 A He was partners with a man by the name Conejo and with the
24 Beltran Leyvas and with my dad.

25 Q You mentioned Conejo, who is that?

Zambada Niebla - Direct/Liskamm

1 A He was a Colombian guy and at that time he was supplying
2 my dad with coke.

3 Q Showing you what's already in evidence as Government's
4 Exhibit 67, who is this?

5 A That's Conejo.

6 Q What was Conejo's relationship with the Beltran Leyvas in
7 the 2000s?

8 A It was a very close relationship, he was one of the main
9 partners of the Beltran Leyvas.

10 Q Mr. Zambada, in the course of your trafficking with the
11 cartel, are you familiar with any other names that are used to
12 refer to cocaine?

13 A In Sinaloa, they refer to coke as "perico."

14 Q Okay. Going back to who was supplying in the cocaine from
15 Colombia, we've talked about the '90s, how about in the 2000s,
16 are you familiar with who was supplying cocaine to Mexico in
17 the 2000s?

18 A Well, through my dad told me and I knew myself that Conejo
19 was one of them. My Compadre Chapo and my dad mentioned
20 someone called Zero Six, the Cifuentes brothers.

21 Q You mentioned the Cifuentes brothers, who in the Cifuentes
22 family have you met?

23 A I know Jorge Cifuentes and a brother of his, I don't
24 remember his name, because I called him Chaparro.

25 Q Growing up what type of relationship did your family have

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1 with the Cifuentes family?

2 A Very close. Jorge Cifuentes arrived in Culiacan in the
3 '80s and I knew him through my dad.

4 Q How many times have you met Jorge?

5 A Many times.

6 MS. LISKAMM: This is for the witness only.

7 Q Showing you what's been marked for identification as
8 Government's Exhibit 42, do you recognize this person?

9 A Yes. That's Jorge Cifuentes.

10 Q And is that a fair and accurate photo of Jorge Cifuentes?

11 A Yes, for me it's Jorge Cifuentes, 100 percent.

12 MS. LISKAMM: Your Honor, at this time I move to admit
13 Government's Exhibit 42.

14 THE COURT: Received.

15 (Government Exhibit 42, was received in evidence.)

16 MS. LISKAMM: Thanks.

17 Q Who was Jorge working with in Culiacan?

18 A Directly with my Compadre Chapo and with my dad.

19 Q And I should probably direct you to a certain time period.
20 I want to start in the '90s. Who was Jorge working with at
21 that time?

22 A At the beginning of the '90s he left Culiacan, he
23 disappeared and then later I learned from my father that he was
24 working with someone named Robochivas.

25 Q Is this the same Robochivas we talked about previously?

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1 A Yes.

2 Q What happened to Robochivas?

3 A He was murdered in the city of Culiacan.

4 Q Who ordered his murder?

5 A My father and Vicente Carrillo Fuentes.

6 Q Did you have any role in that?

7 A My dad at that time was in Torreon with my namesake
8 Vicente Carrillo Fuentes, and my father told me over the phone
9 to send his people to kill Robochivas.

10 Q Did you relay that order?

11 A Yes, I did relay it.

12 Q After Robochivas was killed, what happened next with
13 Jorge?

14 A Well, I didn't hear about him for quite a while until 2003
15 when I heard through my father -- I want to be exact, either
16 2003 or 2004 I went to the mountains with my Compadre Chapo and
17 Jorge was there with my Compadre Chapo.

18 Q From 2003 or 2004 on, what type of business relationship
19 did your dad and Chapo have with Jorge?

20 A It was a partnership between my dad, my Compadre Chapo,
21 and Jorge Cifuentes.

22 Q What method of transportation was Jorge using at this
23 time?

24 A Well, we would provide boats, fishing boats, shrimp
25 fishing boats. There was a time a submarine, a submarine.

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1 Q What type of a business relationship did you have with
2 Jorge prior to your arrest?

3 A Well, we were going to coordinate a large shipment to
4 Culiacan of coke for my dad and my Compadre Chapo.

5 Q When was this?

6 A Towards the middle of 2008.

7 Q What type of vessel were you going to use to transport
8 this load of cocaine?

9 A I was contacted myself by a contact, a friend from Mexico
10 who was asking me if I could take him to meet with my father.
11 This person, my people -- it's a person who people called Capi
12 Beto. Capi Beto was the one who brought me this person. He
13 was a licenciado from Mexico City. That person was proposing,
14 they said that they had a proposal that they had a PEMEX ship,
15 and that it was coming on behalf of some businessmen from PEMEX
16 and some high level political officials in Mexico. That person
17 told me he didn't want to give the names of the politicians
18 because of their own safety, but that they were looking for my
19 dad to suggest to him that business deal to lend him that PEMEX
20 ship, and that they were also interested in investing in a
21 large coke shipment. And the reason why they were seeking to
22 meet with my dad and my Compadre Chapo that was because of my
23 dad's own seriousness in the business.

24 So then I set up an appointment with my dad. My dad
25 told me to bring those people to meet with him, and for that

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1 time my dad had already communicated the situation to my
2 Compadre Chapo and so we had an appointment up in the mountains
3 at a very specific location that belonged to my dad. And it
4 was in the state of Durango in an area that is called Vascogil
5 where my dad was hiding.

6 I got there with my dad, then my Compadre Chapo
7 arrived, and we all agreed that we would get there at a certain
8 point in time. In order for us to get there we needed small
9 planes. I sent someone to meet up with Capi Beto with the
10 people who were representing PEMEX in Mexico City, and then in
11 a different small plane there was Jorge Cifuentes.

12 And at that meeting it was my dad, my Compadre Chapo,
13 Jorge Cifuentes, it was me, the PEMEX representatives and the
14 representative of the politicians and Capi Beto.

15 And at that point I had already sent Capi Beto to
16 check out the ship, the PEMEX ship so that he could take some
17 pictures and they wanted us to see that there was trust and
18 that there was availability on behalf of the politicians for us
19 to use that ship.

20 And we talked, and I was present, and the PEMEX and
21 the politicians they were saying that they wanted to transport
22 100 tons of coke on that ship. And they wanted to know if my
23 dad and Chapo were able to provide that amount of coke.

24 And my Compadre Chapo and my dad, they had Jorge
25 Cifuentes call to see if he was able to provide that amount of

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1 coke.

2 Q You mentioned PEMEX a couple of times, what is a PEMEX?

3 A Well, PEMEX is the acronym for Petroleos Mexicanos, which
4 is a governmental organization in Mexico and they import oil,
5 raw oil, oil.

6 Q Who --

7 A And the ship -- well, you know, it was from a
8 governmental -- Mexican government organization so it was
9 really well known and that meant that the shipment was going to
10 be successful.

11 Q Who owns PEMEX?

12 A As far as I know, it's the government.

13 Q And for the witness only showing you Government's
14 Exhibit 820 for identification.

15 Mr. Zambada, do you recognize this?

16 A That is similar to the PEMEX ship, the ships they had.

17 Q To be clear, this is not the exact same ship that you guys
18 were working on a load for?

19 A No, I do not know, but it looks just the same. It's like
20 the company ship.

21 MS. LISKAMM: Your Honor, at this time I would seek to
22 move Government Exhibit 820 into evidence.

23 MR. BALAREZO: For demonstrative, Your Honor or --

24 MS. LISKAMM: Yes.

25 THE COURT: It's received for that purpose.

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1 MS. LISKAMM: Thank you.

2 Can we publish this to the jury, sorry.

3 (Exhibit published.)

4 BY MS. LISKAMM:

5 Q Mr. Zambada, did that shipment, the hundred-ton shipment
6 that you've just been discussing on the PEMEX ship go through?

7 A I do not know because months later I was arrested. And
8 when I was arrested that shipment hadn't still been started.

9 Q And for the witness only, you mentioned an individual that
10 you referred to as Capi Beto. Showing you what's been marked
11 as Government's Exhibit 102 for identification, do you
12 recognize that person?

13 A Yes, that's Capi Beto.

14 Q Is that a fair and accurate depiction of Capi Beto?

15 A Yes.

16 MR. BALAREZO: No objection.

17 THE COURT: 102 received.

18 MS. LISKAMM: Thank you, Your Honor.

19 (Government Exhibit 102, was received in evidence.)

20 MS. LISKAMM: May I have it published.

21 (Exhibit published.)

22 Q And this is the individual who brought the PEMEX
23 representatives to the meetings?

24 A Yes.

25 Q Now you previously mentioned that you had met another one

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1 of the Cifuentes brothers.

2 A Yes.

3 Q Who did you meet?

4 A A brother of Jorge's, whom we called El Chaparro.

5 Q What does Chaparro mean?

6 A Chaparro is a person who is short.

7 Q Who introduced you to Chaparro?

8 A I saw him up in the mountains with my Compadre Chapo and
9 he introduced us.

10 Q And showing you what's already in evidence as Government's
11 Exhibit 39, who is this?

12 A To me that's Chaparro, that is Jorge Cifuentes' brother.

13 Q Where did you first meet Chaparro?

14 A I saw him up there with my Compadre Chapo in the Sinaloa
15 mountains.

16 Q How was he dressed when you first saw him?

17 A He was dressed in military garb, in camouflage.

18 Q What do you understand Chaparro's role to be in the
19 mountains with the defendant?

20 A Well, on several occasions when I went to visit my
21 Compadre Chapo, Chaparro was like his secretary. He was in
22 charge of answering phones, he had access to some computers.

23 Q When is the last time you had any contact with either
24 Jorge or Chaparro Cifuentes?

25 A 2008.

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1 Q After Chapo escaped in 2001, where did you meet with him?

2 A Well, mostly in the Sinaloa mountains.

3 Q And how would you get there?

4 A Well by small planes and also helicopters.

5 Q Where would the airplanes land?

6 A Well, it depended on the location where my Compadre Chapo
7 was in the mountains. And the runways or the airstrips were
8 very short, they were usually dirt runways and they were
9 actually made -- like handmade up in the mountains.

10 MR. BALAREZO: Objection, 403 at some point.

11 THE COURT: We are getting a lot of detail here. Do
12 we really need all of it?

13 MS. LISKAMM: Your Honor, this does tie into other
14 aspects of the case.

15 THE COURT: It's a tail versus dog question. Okay.
16 We've got a very long tail so far, I don't know how big the dog
17 is going to be. Try to get where you're going.

18 MS. LISKAMM: If you want I can explain at sidebar,
19 Your Honor.

20 THE COURT: No, I'm going to give you the ability to
21 try the case your way, I just ask you to consider at this point
22 whether the proportions of what you're trying to do to get to
23 where you want to go are correct.

24 MS. LISKAMM: Understood, thank you.

25 Q When you arrived at these locations in the mountains, what

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1 did you observe?

2 A Well, we would land on an airstrip and I would observe
3 people around my Compadre Chapo, they were armed.

4 Q How many people did you typically see?

5 A In general, 20 to 25 people.

6 Q And how were they armed?

7 A With attack rifles and guns.

8 Q How were they dressed?

9 A Mostly military garb.

10 Q Have you ever met any of Chapo's nephews who worked with
11 the cartel?

12 A I remember one, like in the beginning of the 2000s.

13 Q What was his name?

14 A I don't know his name, I knew him as Chinakate.

15 Q What, if anything, distinctive about Chinakate do you
16 recall?

17 A Well, he was a redhead.

18 Q Have you had any dealings with any of the defendant's
19 sons?

20 A Well, yes, yes, I know my compadre's sons, yes.

21 Q Which sons have you had the most interaction with?

22 A Well, on occasion when I would go visit Chapo, meaning
23 their dad, my Compadre Chapo, I would see them, Ivan, Alfredo.

24 Those were the ones that I interacted with the most, the ones I
25 had more contact with. And sometimes in Culiacan also because

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1 they were really good friends with my brothers at the time. It
2 was only on a few occasions because they were not involved in
3 their business with their dad, so it was only a few times.

4 Q Showing you what's already in evidence as Government's
5 Exhibit 60, who is this?

6 A To me that's Alfredo.

7 Q And you also mentioned Ivan, how many times have you met
8 with him?

9 A Well, sometimes I saw him with his dad and sometimes he
10 would go to the office with his siblings.

11 MS. LISKAMM: For the witness only.

12 Q Showing you what's been marked as Government's Exhibit 59
13 for identification. Do you recognize this person?

14 A Yes, that's Ivan.

15 Q Is that a fair and accurate photo of Ivan?

16 A Yes.

17 MS. LISKAMM: Your Honor, I seek to move Government's
18 Exhibit 59 into evidence.

19 MR. BALAREZO: No objection.

20 THE COURT: Received.

21 (Government Exhibit 59, was received in evidence.)

22 MS. LISKAMM: Can we have it published.

23 (Exhibit published.)

24 BY MS. LISKAMM:

25 Q Mr. Zambada, how did the defendant refer to Ivan?

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1 A At times he would call him "Tocayo," namesake.

2 Q And why would he refer to Ivan that way?

3 MR. BALAREZO: Objection, 401.

4 THE COURT: Sustained, sustained.

5 MS. LISKAMM: Your Honor, if I could just have a
6 sidebar.

7 THE COURT: Yes, if you need it, that's fine.

8 (Sidebar conference.)

9 (Continued on the next page.)

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1 THE COURT: You have a theory of why it matters. Go
2 ahead.

3 MS. LISKAMM: Yes, Your Honor, this ties into
4 documentary evidence that's going to be introduced later on in
5 this case and so --

6 THE COURT: That says what?

7 MS. LISKAMM: I'm sorry?

8 THE COURT: That says what? What do the documents
9 say?

10 MS. LISKAMM: It has the name "Tocayo," and so we're
11 trying to explain why this information is linked back to the
12 defendant.

13 THE COURT: What are the documents about? I'm not
14 convinced that documents are not far beyond what the
15 prosecution needs in this case.

16 MS. LISKAMM: They are documents that were seized from
17 the location where the defendant evaded law enforcement.

18 THE COURT: What do they say?

19 MS. LISKAMM: They are ledgers.

20 THE COURT: So this is all to get in those ledgers or
21 to explain the ledgers?

22 MS. LISKAMM: Exactly.

23 THE COURT: I'm going to --

24 MS. LISKAMM: It's just one question.

25 THE COURT: This isn't -- well, this is just one

1 question but we have a number of just one questions.

2 Just ask him questions -- I ask this of all the
3 lawyers every so often take a glance over at the jury see if
4 you've got them because if you've don't, you're just talking to
5 the wall, really. And I'm looking at this jury and they're
6 kind of wondering where it's all going.

7 I'm not stopping you. I don't know the case as well
8 the lawyers. When the lawyers tell me here's the basis, these
9 ledgers are important, this needs to explain the ledgers, I
10 have to defer to that because I don't know any better, but I
11 will tell you as a spectator I'm kind of having the same
12 reaction as the jury. So think about it, that's all I'm
13 saying.

14 MS. PARLOVECCHIO: We take the warning, Your Honor.
15 Just one thing --

16 THE COURT: It's not a warning it's advice, it's free
17 advice.

18 MS. PARLOVECCHIO: Advice, fair enough. We still have
19 to make our record for summation. So there are certain things
20 that while they might not be exciting or the jury doesn't
21 necessarily make the connection right now, we still need to
22 make the record to tie up everything in summation.

23 THE COURT: Certainly true. It's just a question of
24 how much one needs.

25 MS. PARLOVECCHIO: We understand.

1 THE COURT: So I'm overruling the objection.
2 I'm simply asking counsel to make sure there is a real
3 need for what is being put in the record. Okay.
4 (End of sidebar conference.)
5 (Continued on the next page.)
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1 (In open court.)

2 THE COURT: It witness may answer the last question.

3 THE WITNESS: I imagine that they would call him
4 "Tocayo" or namesake because Ivan's name is Ivan Archivaldo and
5 my compadre's name is Joaquin Archivaldo.

6 BY MS. LISKAMM::

7 Q Very good. Let's talk about the drugs that were crossing
8 into the United States.

9 How were the drugs being crossed into the United
10 States?

11 A Well, most of them -- well, the majority of the drugs were
12 crossed over through the border checkpoints.

13 Q How were they physically crossed through the border
14 checkpoints?

15 A Well, the people that we had in charge at the border, for
16 example, German in El Paso, and he reported to my dad and to me
17 that they would buy up to 15 private vehicles, they would build
18 a compartment in those cars and those compartments fed from 25
19 to 30 kilos of coke in each car. They would hire families,
20 families so that they would drive those cars, families who were
21 able to cross the border every single day, families who would
22 come to Juarez for work. And that was a way in which those
23 families would be able to cross three, four times a day loaded
24 with coke.

25 Q Showing you what's been already introduced into evidence

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1 as Government's Exhibit 501. Can you identify what locations
2 the drugs were being crossed into the United States through the
3 method that you just described.

4 A Yes.

5 Q And for the record, you've identified Ciudad Juarez on the
6 Mexico side, and El Paso on the U.S. side?

7 A Yes.

8 Q And Mexicali on the Mexico side and Calexico on the
9 American side?

10 A Yes.

11 Q What U.S. cities were these drugs being transported to?

12 A To Chicago, Illinois and to California.

13 Q Whose drugs were being transported this way?

14 A Mainly Juancho, German, my Compadre Chapo, and my dad.

15 Q And where specifically in the U.S. were German's drugs
16 being transported to?

17 A To Chicago, Illinois.

18 Q And Juancho's drugs were being transported to where?

19 A He would say Los Angeles, California, and also many times
20 to Chicago.

21 Q Do you know someone named Avelino?

22 A Yes.

23 Q Who is that?

24 A The Avelino I know is from Culiacan, I've known him since
25 the '80s. I saw him again in 2005 after many years. He went

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1 to live in the city of Tijuana.

2 Q Did you have any conversations with Avelino about tunnels?

3 A In 2008, he came looking for me. I was living in the city
4 of Mazatlan.

5 Q What did you discuss with him?

6 A He went to find me personally in Mazatlan and he came to
7 tell me that they were building a tunnel. He was with some
8 friends of his.

9 Q Where were they building a tunnel?

10 A He told me that they were building it in the city of
11 Tijuana.

12 Q Did you tell anyone else about the tunnel proposal?

13 A My father.

14 Q Did your father speak with anyone about the tunnel?

15 A My dad told me that he had talked about it with my
16 Compadre Chapo.

17 Q And what was the defendant's response?

18 A That it was good and my dad too because at that time they
19 were looking for more crossings so that they could cross over
20 drugs.

21 Q Do you know if the tunnel was completed?

22 A I was arrested at that period of time when the tunnel was
23 being constructed, so I don't know.

24 Q Do you know who the Flores twins are?

25 A Yes.

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1 Q Who are they?

2 A Well, they were originally from here, from the United
3 States. They told me they were from Chicago, Illinois.

4 Q What are their names?

5 A One of them is named Margarito Flores and the other one is
6 Pedro Flores.

7 Q When did you first meet the Flores twins?

8 A Around 2005.

9 Q Showing you what's already in evidence as Government's
10 Exhibit 52, who is this?

11 A It's one of the Flores brothers.

12 Q Do you know which one?

13 A No, no, I can't, I can't identify him.

14 Q Why not?

15 A Because they are both very similar and I can't tell which
16 one was Pedro and which one would be Margarito.

17 Q Okay, but this is one of the twins?

18 A Yes.

19 Q And showing you what's already in evidence as Government's
20 Exhibit 51, who is this?

21 A He's one of the Flores brothers.

22 Q The other one?

23 A I imagine so, yes.

24 Q You said you first met them in around 2005, where did that
25 meeting occur?

GEORGETTE K. BETTS, RPR, FCRR, CCR
Official Court Reporter

Zambada Niebla - Direct/Liskamm

1 A In Culiacan, Sinaloa.

2 Q And who was present for that meeting?

3 A It was a house belonging to my father. My dad was there,
4 German was there, Juancho, the Flores brothers, both of them,
5 and also at that time the brother's father was with them, along
6 with them and then me.

7 Q Why was their father there?

8 A Because one of the Floreses had been kidnapped sometime
9 prior to that and their dad was coming to give thanks to my dad
10 because he had found out that my dad and my Compadre Chapo had
11 intervened to free the brother.

12 Q The one that had been kidnapped?

13 A Yes.

14 Q What was your understanding of the Flores' twins role
15 within the cartel?

16 A Well, I had heard about them already through German. They
17 worked for German in Chicago, Illinois. That they were one of
18 the largest buyers of coke for German in Chicago.

19 Q Did you have any conversations with German about how the
20 cocaine was being transported to Chicago?

21 A Yes, he reported to me so I could report to my father all
22 of the infrastructure that they were building.

23 Q And how was the cocaine being transported to the twins in
24 Chicago?

25 A German told me that it was in transport by trailer. It

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1 would just be different businesses and they would get a load,
2 like it could be meat or fruit or chicken, something like that.
3 So, for example, if it was beef, frozen meat in between the
4 pallets of meat the coke was hidden away.

5 Q Whose cocaine was being transported to the twins in
6 Chicago?

7 A German's, Juancho's, my dad's, and my Compadre Chapo's.

8 Q Are you aware of any seizure in the United States related
9 to the Flores twins?

10 A Yes.

11 Q When was that?

12 A Around 2006, not too long after having met him. German
13 told me about it, 400 kilos had been lost in the city of
14 Chicago.

15 Q And did you have any conversations with German after the
16 seizure occurred?

17 A Yes, he told me he reported that seizure of those kilos.

18 Q What, if anything, did German request from the Flores
19 twins after the seizure?

20 A One time that German and me were in Culiacan in the office
21 he was talking about requesting all the police reports about
22 the 400 kilos and what had happened to them.

23 Q Did you ever attend any meetings in relation to this
24 seizure?

25 A Yes.

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1 Q Who was present?

2 A Juancho, German, one of the Flores brothers, and me.

3 Q And what was the purpose of that meeting?

4 A The purpose was the Floreses were going to Culiacan to see
5 Juancho and German who were the people they had most contact
6 with in terms of their drug trafficking business. And because
7 that meeting was at the office that I shared with Juancho, I
8 was present when they spoke about that topic of the 400 kilos
9 that were lost in Chicago.

10 Q Okay. Did you ever meet with any of the twins or either
11 one of the twins to discuss weapons?

12 A Yes, one time.

13 Q And when did that happen?

14 A In 2008.

15 Q What was going on in 2008 in Culiacan?

16 A There was a war between my dad and Compadre Chapo and the
17 Beltran Leyvas, the Villa Cifuentes, and the Zetas.

18 Q The meeting that you had with the twins about the weapons,
19 where did that occur?

20 A It was in the mountains in a place that belonged to my dad
21 in Vascogil, the place that I mentioned earlier.

22 Q Who was present for that meeting?

23 A My dad, my Compadre Chapo, German, Juancho, the Flores
24 brothers and another person who was with them, me, and Felipe
25 Cabrera, who is from Vascogil and he was the -- he had the

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1 ranch that my father was at.

2 Q What was Felipe Cabrera's involvement in drug trafficking?

3 A Well, that meeting in the mountains at that time it was
4 because my father wanted to introduce Felipe Cabrera to the
5 Flores brothers. Prior to that, Felipe Cabrera had told my
6 father that he had sent some heroin to Chicago and that he
7 wanted clients in Chicago to buy that heroin.

8 My father said that he knew some people and they were
9 the Flores brothers. And my Compadre Chapo had them all meet
10 there so he could introduce him to the Flores brothers.

11 THE INTERPRETER: I'm sorry, to Felipe. Correction.

12 (Continued on the next page.)
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1 (In open court.)

2 Q You were just discussing a shipment of heroin.

3 Have you ever heard another word used to describe
4 heroin?

5 A In Sinaloa, they call it cheeba. They call heroin cheeba.

6 Q Back to the meeting you were discussing with the weapons.

7 What were you discussing with the twins about the
8 weapons at that time?

9 A I spoke to one of them. It was a moment when he stepped
10 away from the table where he was speaking to my father and my
11 Compadre Juancho.

12 THE INTERPRETER: Chapo, I'm sorry.

13 A And I said I asked that he could get me some weapons here
14 in the United States.

15 Q What type of weapons?

16 A They were M-16s with grenade launchers.

17 Q Did you ever talk to either one of the twins about
18 obtaining weapons on the phone.

19 A Yes, one time.

20 Q When was that?

21 A In 2008, also. I was in Juancho's office with Juancho.
22 The brothers were had been insisting that they wanted to speak
23 on the phone with me. I would tell Juancho that I didn't want
24 to speak with him; that I had nothing to talk to him about.

25 But one time that we were in the office, Juancho threw

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1 the phone over at me and I caught it. And he told me, it's one
2 of the Floreses, he's insisting a lot that he wants to speak to
3 you. I talked to him and he made reference to the rifles I had
4 asked him about in a previous meeting in the mountains. He
5 asked if I was still interested in those rifles and weapons,
6 that he already had a person in the United States who could get
7 them for me. I said, yes, go ahead.

8 Q Okay. I want to switch topics now and go back to cocaine
9 trafficking.

10 Do you know someone by the name of Cesar?

11 A Yes.

12 Q Who is that?

13 A I know a Cesar that is Cesar Gastellum Marisquero.

14 Q Showing you what's already in evidence as Government's
15 Exhibit 55.

16 Who is this?

17 A That's Cesar. Cesar Gastellum.

18 Q Did you have any conversations with your dad or the
19 defendant about how Cesar was trafficking cocaine?

20 A Yes, with my dad. And also at times with my
21 Compadre Chapo was here.

22 Q How was Cesar trafficking it?

23 A Well, Cesar trafficked over land in cars or trucks. There
24 was a time when he was in charge of Honduras.

25 Q And whose cocaine was he trafficking?

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1 A Well, he worked on his own, too, but he was kind of an
2 ally of the Sinaloa Cartel and worked with my dad and with my
3 Compadre Chapo.

4 Q Who was cocaine shipments within the cartel?

5 A There was a time that he was very close. I would
6 coordinate with Damaso, licenciado Damaso.

7 Q Who would Damaso report to?

8 A To my Compadre Chapo.

9 Q In, approximately, 2006 to 2008, who was Cesar's associate
10 or partner in trafficking?

11 A Well, he had a partner who was a close friend and he was
12 called Polo.

13 Q And did he have a last name?

14 A We would called him Polo Ochoa Leopoldo, a/k/a Polo Ochoa.

15 Q How many times did you meet Polo Ochoa?

16 A Many times.

17 Q For the witness only. Showing you what's marked for
18 identification as Government's Exhibit 77.

19 MR. BALAREZOS: No objection.

20 THE COURT: Received.

21 (Government's Exhibit 77 was received in evidence as
22 of this date.)

23 Q Mr. Zambada, who is depicted in Government's Exhibit 77?

24 A To me, that's Polo Ochoa.

25 Q What did Polo Ochoa do for the cartel?

Zambada Niebla - Direct/Liskamm

1 A Well, he was another ally of the cartel. He would do drug
2 trafficking but he would work directly with my dad.

3 Q What types of drugs did Polo Ochoa traffic?

4 A He trafficked a lot in methamphetamines.

5 Q Where was that methamphetamine received?

6 A In Cancun Quintana Roo.

7 Q Was he actually receiving methamphetamine or something
8 else?

9 A Well, it was ephedrine, and he would also traffic with
10 cocaine.

11 Q What is ephedrine used for?

12 A Well, the ephedrine, after you process it, you produce
13 ice. What they call ice.

14 Q Is "ice" methamphetamine?

15 A Yes.

16 Q Are you aware of the defendant being involved in
17 methamphetamine?

18 A Yes.

19 Q Did you have any conversations with your dad about that?

20 A Yes.

21 Q What did you guys discuss?

22 A My dad told me he said that him and my Compadre Chapo
23 discussed bringing ephedrine that that I asked Compadre Chapo
24 talked about bringing ephedrine. And since my dad had people
25 in Belize, he had Benny and Markitos. And so, the question was

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1 whether we could receive the ephedrine in Belize. And what we
2 did have Benny and Markitos in Belize but we didn't really have
3 the infrastructure to receive that by maritime way because what
4 my Compadre Chapo needed was a port.

5 And so, what we did was we sought out a person in
6 Belize who had connections at the port so that we could bring
7 ships with containers in order for us to receive the ephedrine.
8 Juancho told me that he had found somebody I also known by the
9 name of Pedrito and somebody who is very good friends with my
10 dad and my Compadre Chapo. And he said that that person had
11 connections in the Belize port.

12 So we sent him to make arrangements at the Belize port
13 in order to receive ephedrine. And that time around, it was
14 just a test to make sure that they had already made
15 arrangements at the port and we sent two tons of ephedrine
16 shipment.

17 Q What happened to that shipment?

18 A Well, we used the same mechanism and my dad said that we
19 should send a tanker truck, a gas tanker truck. And when the
20 ephedrine was already on its way to Mexico City via the tanker
21 truck, the tanker truck was stolen.

22 At first, somebody reported to me that the tanker
23 truck had been detained by the PFP. And the driver, he let me
24 know that he had been released; that he was already on his way
25 again. A few kilometers later, there was a large group of

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1 people who were waiting for the tanker truck and we never heard
2 back again from the tanker truck, from the driver, or from the
3 people. And this happened in the State of Veracruz.

4 Q You mentioned the PFP. What is that?

5 A It is the federal police. It is the federal police at a
6 federal government level in Mexico.

7 Q Are you aware of the defendant being involved in setting
8 up any labs to process methamphetamine?

9 A Before I was arrested, my dad and my Compadre Chapo
10 discussed the possibility of setting up a laboratory for them
11 to process methamphetamines but I didn't get to see that. I do
12 not know if they went ahead and did that because I was
13 arrested.

14 Q Okay. We talked a lot about how the drug loads were being
15 trafficked.

16 I want to turn now and talk about whether or not
17 you're aware of any loads being seized.

18 Are you aware of any seizures occurring outside
19 Panama?

20 A Yes.

21 Q When was that?

22 A Around 2007. Beginning 2007.

23 Q And who was in charge of coordinating that load?

24 A It was me together with Capi Beto. Capi Beto would report
25 everything to me in order for me to report back to my dad.

Zambada Niebla - Direct/Liskamm

1 Q Is that the same Capi Beto we talked about previously?

2 A Yes.

3 Q Whose cocaine was seized in the seizure?

4 A It was from Arturo Beltran Leyva and my dad, and obviously
5 my dad in partnership with my Compadre Chapo.

6 Q What kind of a boat was used to traffic this load?

7 A It was a vessel that belonged to my dad. It was a
8 merchant vessel.

9 Q Okay. And were there any meetings prior to the seizure to
10 discuss the logistics of planning this load?

11 A Yes.

12 Q And who was present at those meetings?

13 A Juancho, Capi Beto, and myself and the people in charge of
14 the vessel from the vessel's company's site.

15 Q And who did Juancho report to?

16 A It my Compadre Chapo.

17 Q Do you have any conversations with Capi Beto about what
18 happened to this boat?

19 A Yes. That night at the crack of dawn Capi Beto called my
20 that the ship was being towed away by the American Coast Guard
21 back to the port.

22 Q And where did the load get seized?

23 A The ship had sailed from Panama only a few hours before
24 and it was towed back to Panama to the port.

25 Q Were there any meetings after the seizure?

Anthony D. Frisolone, FAPR, RDR, CRR, CRI, CSR
Official Court Reporter

Zambada Niebla - Direct/Liskamm

1 A Yes.

2 Q Who attended those meetings?

3 A Well, it was in Mexico City. My dad met up with Arturo
4 Beltran Leyva and I was also present at the time to discuss
5 that seizure. And Conejo was also present. The Colombian,
6 Conejo.

7 Q What did you discuss at that meeting?

8 A Well, my dad told Arturo that, on our end, since we own
9 the ship, that everything had been done exactly how it should
10 have been done. Everything was okay with the permits and that
11 he didn't think that the seizure had happened because of us.

12 And Arturo told my dad not to worry, that he didn't
13 even think that the problem had come about because of us. He
14 said that he thought it was because of Carnejo who was the
15 provider of the coke.

16 Q I want to switch now and talk about submarines.

17 Are you aware of anyone in the cartel using submarines
18 to ship cocaine?

19 A Well, I received a submarine on the coast of Sinaloa.

20 Q Before we talk about the sub that you received, are you
21 aware of any seizures involving submarines?

22 A Well, Juancho told me that at the end of 2008 there had
23 been a submarine that had been seized once it left Colombia.

24 Q Okay. And how much cocaine was seized on that submarine?

25 A Juancho told me it was ten tons, 10,000 kilos of cocaine.

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1 Q Whose cocaine was on that submarine?

2 A It belonged to my dad and my Compadre Chapo. Juancho had
3 said that my Compadre Chapo had given us authorization for them
4 to also invest in that load, meaning, Juancho, German, and also
5 myself if I wanted it.

6 Q Who was supposed to receive the submarine?

7 A I was. If it were to get to the Sinaloa shore, I would
8 be.

9 Q Do you know who seized the submarine?

10 A As far as I understood, it was the American Coast Guard.

11 Q Okay. You previously mentioned a successful submarine
12 load; is that correct?

13 A Yes.

14 Q And when did that successful submarine load occur?

15 A In 2008.

16 Q Was that before or after this seized submarine load?

17 A Before.

18 Q How much cocaine was on the successful load?

19 A The sub had six tons. It was five tons of coke and one
20 ton of base.

21 Q What is base?

22 A Well, base is -- well, before you process that base, you
23 use the base to process it and convert it into pure cocaine.

24 Q What does pure cocaine look like?

25 A Well, if you look at base, it looks like a mass, it's

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1 yellowish. But once you convert it into cocaine, it's very
2 shiny and white.

3 Q Why would someone want base versus finished cocaine?

4 A Well, one of the reasons why that base was sent to
5 Culiacan was for us to process that cocaine and for it to be a
6 better quality so that we could sell it in the United States.

7 Q Who physically received the successful submarine load?

8 A I did and Juancho was with me.

9 Q And how did you physically get the cocaine off of the
10 submarine?

11 A Well, I was present there together with Juancho just
12 organizing and making sure that the drugs would arrive safely
13 to the coast. Then, from there, we would load it up on cars
14 and take them to a safe house to keep. For these, you would
15 provide coordinates as to where in the ocean, open ocean, the
16 sub would be. It would be a few miles away from the coast. In
17 this case, the Sinaloa coast.

18 And I had some people who worked for me and my dad a
19 team of fast boats. We had about six to seven fast boats.
20 They would meet up with the sub on those coordinates, they
21 would unload the coke, they would put the coke onto the boats,
22 and they would go their way to the coast, to the beach where we
23 would receive it.

24 Q Who was responsible with coordinating with the Colombians
25 on the successful submarine load?

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1 A I actually coordinated with Damaso.

2 Q And once the sub load was successfully received, did you
3 make any notifications?

4 A At that time, I told my dad right away and Juancho, who
5 was next to me at the time, he told my Compadre Juancho who he
6 would refer to as his father, his dad, my Compadre Chapo.

7 Q And what happened to the load that was received from this
8 submarine?

9 A Once it arrived at the safe house and it was safe, then my
10 dad would be told, or my Compadre Chapo would be told, as to
11 what would happen with those drugs. They would decide what to
12 do with that. So they give the order to me for me to deliver
13 the ton of base to Damaso.

14 Q Okay. So we talked about boats, submarines, and I want to
15 turn briefly and discuss planes.

16 Are you aware of any special types of planes that were
17 being used by the defendant to transport cocaine?

18 A Well, you know, at one time we talked about bringing some
19 little planes that were carbon fiber plane because it was very
20 hard to because they could be intercepted.

21 Q Who did you discuss this with?

22 A With my dad, my Compadre Chapo, and Juancho was also
23 there.

24 Q Are you aware whether the defendant was able to obtain any
25 of these types of planes?

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1 A Yes, I learned that, yes, he had one.

2 Q Okay. How many kilos of cocaine could you fit on a plane?

3 A That's a very small plane. You could fit from 250 to
4 300 kilos of coke. Just that.

5 Q And where were these planes flying from and to?

6 A Well, we talked about finding runways within the
7 Mexican Republic so they could refuel and get to Culiacan
8 directly.

9 Q Where were the refueling strips or landing strips?

10 A Well, you know, I asked Benny if there were any in the
11 south and he said yes. He said that there were some in Villa
12 Hermosa, Tabasco, and in Chiapas. And I would report back to
13 Juancho and I report back to my compadre.

14 Q Once the planes refuel in southern Mexico, where would
15 they go?

16 A Well, the plan was for them to refuel and for them to go
17 all the way to Culiacan.

18 Q And whose airstrip did they land on in Culiacan?

19 A Well, at that time, my dad told my Compadre Chapo that we
20 had an airstrip that belonged to us.

21 Q And who actually owned that airstrip?

22 A The one in Chiapas, the owner is Arturo Garcia, compadre
23 of my father's. That was one of the airstrips that were
24 proposed for that if it was needed.

25 Q Were any of these carbon fiber planes able to successfully

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1 transport cocaine?

2 A Well, I found out through Juancho because I didn't limit
3 myself that there was one journey made with that type of plane.

4 Q All right. Let's switch topics.

5 We talked a lot about how the drugs were flowing
6 north. I want to talk a little bit about the drug proceeds and
7 what happened to them.

8 Once the drug load successfully made it to the United
9 States, what happened with the money from the sales?

10 A Well, that money was taken back to Mexico. In this case,
11 back to Culiacan.

12 Q How was it transported back to Culiacan?

13 A German would inform me that it was transported in the same
14 way that the drugs were transported there in this case to
15 Chicago.

16 Q How was that?

17 A In the same transports that were used to hide the coke on
18 its way to Chicago. The money was hidden to take it to the
19 border. And that there were people, families, that he had
20 hired to bring the money from Chicago to the border. Cars with
21 compartments.

22 Q Once the money crossed back into Mexico, where did it go?

23 A To Culiacan, Sinaloa.

24 Q Whose money was received in Culiacan?

25 A Well, there was money that belonged to Juancho, to German,

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1 to my dad, to my Compadre Chapo, sometimes mine.

2 Q And some of this money eventually went to Colombia; is
3 that correct?

4 A Yes, money was sent to the Colombians, of course.

5 Q And how was the money given to the Colombians?

6 A We would send them in the tanker trucks that would belong
7 to my dad. We would send them to Mexico City.

8 Q Who was responsible for receiving the money in Mexico
9 City?

10 A In the same warehouses belonging to my uncle Rey, the
11 people for my uncle Rey.

12 Q And who is responsible for coordinating with the
13 Colombians about payment for the loads?

14 A Well, in this case, the money, I would get told when the
15 money arrived, when it was stashed in an office. I would
16 report to my dad that that money was already in Mexico.

17 Juancho would find out because we were always together in the
18 same house and he would tell me he was reporting everything to
19 my Compadre Chapo.

20 So, in this case, I would ask my dad what we should do
21 with that money. So when it was money that it was for the
22 Colombians. So they would give us some phone numbers to us,
23 three to four phone numbers. My Compadre Chapo or my father
24 would do that. I would give that, those numbers, to the people
25 we had in Mexico with the money. And for that, for each phone

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1 number, we would tell them which amount they had to deliver to
2 each number.

3 Q You mentioned Mexico a couple times. Do you know if it's
4 the country or Mexico City?

5 A It Mexico City, the capital.

6 Q Are you familiar with the term Casa de Cambio?

7 A Yes, I know what Casa de Cambio is.

8 Q Please.

9 A Where you exchange money, a money exchange.

10 Q Are you aware of anyone in the cartel using Casa de Cambio
11 to transport money.

12 A Yeah. There were times when we did, but it was more
13 Juancho and German who told me about it.

14 Q What did Juancho tell you he was doing with the
15 Casa de Cambio?

16 MR. BALAREZOS: Objection, 401.

17 THE COURT: Sustained.

18 Q Where was Juancho delivering the money?

19 A In California.

20 Q And where was he receiving the money?

21 MR. BALAREZOS: Objection. Sustained. I'm sustaining
22 my own objection.

23 Objection, 401. Sorry.

24 THE COURT: Is this going somewhere?

25 MS. LISKAMM: Yes, Your Honor. I'm happy to explain

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1 at sidebar.

2 THE COURT: I'm going to take your word for it. The
3 objection is overruled.

4 THE WITNESS: Can you repeat the question?

5 Q Where was Juancho receiving the money after he delivered
6 it at the Casa de Cambio in California?

7 A In Casa de Cambio in Culiacan.

8 Q And what amounts were Juancho delivering?

9 A Well, from what Juancho and German told me, they could not
10 do deliveries of more than a million dollars. So they would do
11 three deliveries of \$300,000.

12 Q Why would they not deliver anything more than a million
13 dollars?

14 A Because here in the United States, such a large quantity
15 was not a usual quantity to deliver to a Casa de Cambio. They
16 would pay attention to that because asking themselves why was
17 such an amount of money being deposited.

18 Q Who did Juancho report to?

19 A To my Compadre Chapo. I imagine because it was also his
20 money, Juancho's.

21 MS. LISKAMM: Your Honor, I'm about to move into a new
22 section.

23 THE COURT: We'll take our midafternoon break.

24 Ladies and gentlemen don't talk about the case. We'll
25 see you at 3:25.

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1 (Jury exits courtroom.)

2 THE COURT: 15-minute recess.

3 (Defendant exits from courtroom.)

4 (A recess in the proceedings was taken.)

5 (Continued on the next page.)

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1 (In open court.)

2 (In open court; jury not present.)

3 THE COURTROOM DEPUTY: All rise.

4 THE COURT: Please bring in the jury.

5 (Jury enters.)

6 THE COURT: Everyone be seated.

7 Let's carry on.

8 DIRECT EXAMINATION

9 BY MS. LISKAMM (continuing):

10 Q All right. Mr. Zambada, you previously mentioned that you
11 had some responsibilities with respect to corruption.

12 A Yes.

13 Q What were your responsibilities specifically with respect
14 to corruption?

15 A Well, I paid several police and -- for the state of
16 Sinaloa. I had friends who were in the military, in the PFP,
17 in the PGR.

18 Q You previously said that PFP was the federal police,
19 correct?

20 A Yes.

21 Q What is the PGR?

22 A It's the general attorney's office of the republic.

23 Q And you mentioned that you were making payments to police
24 in Culiacan, correct?

25 A Yes.

Denise Parisi, RPR, CRR
Official Court Reporter

Zambada Niebla - Direct/Liskamm

1 Q What levels of the police were you making payments to?

2 A Well, to commanders in the judicial state police, the
3 municipal police, and the directors of both of these law
4 enforcement agencies.

5 Q And why were these payments being made?

6 A Well, these payments were made for protection for us in
7 the state, meaning to my father, to my Compadre Chapo, to me,
8 to the people in the cartel -- in the Sinaloa Cartel.

9 Q What do you mean by "protection"?

10 A Well, passing on information to us about any police
11 operation in the state. Also, when I receive -- when we
12 receive drug shipments so that they were safe, those drug
13 shipments.

14 Q When you previously mentioned the federal police, are you
15 aware of any code words that were used to refer to the federal
16 police?

17 A Well, in general, over the phone, we would call them Los
18 Azules.

19 Q Have you ever heard of the term "Yankee" before?

20 A Yes.

21 Q What does that refer to?

22 A A Yankee is a commander for the PGR in the federal
23 judicial police. For example, Sinaloa has a Yankee.

24 Q Was that one of the people that you were making payments
25 to in Culiacan?

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1 A Yes.

2 Q Okay. And have you heard of the term "zapatones" before?

3 A Yes, yes. I have heard it in Culiacan.

4 Q And what is that a code word for?

5 A Well, it can refer to soldiers, to the military.

6 Q Okay. And why was that the term that was used?

7 A Because of the military boots that they used.

8 Q How much were the payments that were being made by the
9 cartel?

10 A Well, it depend on the person. A director of the judicial
11 state police was given 30- to \$50,000 a month. A Yankee we
12 would give also \$50,000 a month.

13 Q And this was a monthly salary they were receiving?

14 A Yes, monthly salary that they received.

15 Q Were there occasions where they would receive a bonus on
16 top of that monthly salary?

17 A Yes. In my case, my father, there were many times when he
18 sent an extra gift.

19 Q And what would occasion such a gift?

20 A Well, for example, when a shipment of coke arrived
21 correctly in Culiacan, they would get an extra bonus.

22 Q And who were these payments being made on behalf of?

23 A Well, my dad is the kind of person who liked to see the
24 Yankees or commanders personally, and I would go with him to
25 see them; and when my dad would go meet with these Yankees and

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1 commanders, he said it was on his behalf and that he also was
2 on behalf of his Compadre Chapo.

3 Q Okay. We discussed payments that were being made in
4 Culiacan. Are you aware of payments being made in other parts
5 of the country?

6 A Yes. In different points of the republic where there were
7 people for my dad or for my Compadre Chapo in this case.

8 Q Who was responsible for making payments in the southern
9 part of Mexico?

10 A Well, in the south, we had Benny, and we would send him
11 the money so he could pay those people in that area in Chiapas
12 and Oaxaca.

13 Q And how about up towards the border with the United
14 States? Who was responsible for making payments up there?

15 A In Ciudad Juarez, we had German. In Mexicali, I had a
16 person named Pacheco.

17 Q Who is Pacheco?

18 A Pacheco is one of my people directly. He was one of the
19 people who was closest to Gonzalo Insunza and Macho Prieto, and
20 I asked permission from my dad to send him to be in charge of
21 the Mexicali Plaza.

22 Q Was there anyone making payments at the federal level?

23 A I had a friend named Licenciado Carlos who was the contact
24 with the military. My father also had direct contact with
25 people in Mexico City, with military, PFP, SIEDO, everyone

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1 there; and there was someone else on behalf of my Compadre
2 Chapo, El Doctor Rodolfo. He would pay the PFP and the
3 military as well.

4 Q And what was his full name?

5 A Rodolfo Beltran, if I remember right.

6 Q Was he any relation to the Beltran Leyva brothers?

7 A No.

8 Q Are you aware of whether Chapo had any workers with
9 contacts in the military in Culiacan?

10 A Well, there came a time in 2008 -- actually, in 2007 when
11 I met up with Damaso to give him some information. I was going
12 to give to the Beltran Leyva's, the Carrillo's, the Zetas
13 regarding military people he had in the ninth military zone.

14 Q And that was where?

15 A In Culiacan, Sinaloa.

16 Q Okay. Let's talk a little bit about the state judicial
17 police.

18 Was there anyone within the state judicial police who
19 was working with the Sinaloa Cartel?

20 A Well, there were many commanders. And, in fact, many of
21 them were right there with my dad. They protect him; they
22 watch over him.

23 Q Are you aware of who the director of the state judicial
24 police was?

25 A Yes. Chuy Tono, Jesus Antonio Iniguez.

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1 Q And was he helping the Sinaloa Cartel in any way?

2 A Yes. He's very good friends with my dad.

3 Q What, if anything, was he doing for the Sinaloa Cartel?

4 A Well, he's the director, so he is in charge of all of the
5 judicial state police in Sinaloa, so he would give us
6 information or protection or information about any of the
7 police operations in the state of Sinaloa.

8 Q As the director of the state judicial police, did he have
9 the ability to move the commanders within the state judicial
10 police?

11 A Yes.

12 Q And did you have any meetings with him to discuss this?

13 A Yes, together with my dad.

14 Q Okay. And what did you guys agree to?

15 A Well, my dad would require that -- for him to locate
16 friendly commanders whom he knew in the areas where he was
17 staying at: El Salado, Costa Rica, El Dorado, and Cruz de
18 Elota.

19 Q This may be self-explanatory, but why would you want a
20 friendly police commander in certain areas?

21 A Well, so if there was any information, if there were any
22 police operations against my dad in those areas, then the
23 commanders with the judicial state police would tell us.

24 Q What was the estimated monthly payroll for corruption
25 payments?

Denise Parisi, RPR, CRR
Official Court Reporter

Zambada Niebla - Direct/Liskamm

1 A Well, in total, with everything, it would exceed
2 \$1 million.

3 Q And that was just the monthly salaries?

4 A Yes. Monthly.

5 Q And bonuses were on top of that?

6 A Yes.

7 Q Okay. Were there any members of the defense that you met
8 with?

9 A Yes. I met up with a general.

10 Q And who was that?

11 A General Altimio in 2008, he was my contact, and I brought
12 him over to see my dad. Excuse me, I would like to clarify
13 that it was in 2007, at the end of 2007.

14 Q And what was General Altimio's role within the defense?

15 A Well, he was a general, so I imagine he was the highest
16 ranking official with defense.

17 Q And where did the meeting with your dad and General Altimio
18 occur?

19 A In Culiacan.

20 Q And what was discussed at that meeting?

21 A Well, my dad was there; the general; and Licenciado
22 Carlos, who was the one who brought him over to us. Well, the
23 general was actually seeking to speak to my dad because there
24 was a rumor going on at the defense secretariat from other
25 generals, and that's what General Altimio said, and that there

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1 was some rumor that people within defense were split up -- you
2 had the Lazcano's, you had the Beltran Leyva people, you had
3 the Carrillo Fuentes -- and that they were looking to get more
4 connections with other generals so that they could attack my
5 dad and my Compadre Chapo; and, in fact, that him and other
6 generals had been contacted by the Carrillo Fuentes, the
7 Beltran Leyva's and the Zetas because they wanted to send them
8 money for them to help them detain my dad and my Compadre
9 Chapo.

10 And General Altimo spoke to other generals saying that
11 it was better to seek my dad out, and that it was better to be
12 on my dad's side because of who and how my dad was and my
13 Compadre Chapo was, and because of everything that was
14 happening in Mexico with the Zetas and the Beltran's and the
15 war that had broken out all over the republic, and that he had
16 heard that Arturo Beltran Leyva -- and now I'm talking about
17 the time before the war against the Beltran Leyva's broke
18 out -- and that we already had pretty much background, we knew
19 that the Beltran Leyva's were getting together with the Zetas,
20 with the Carrillo Fuentes's to go against my dad and my
21 Compadre Chapo and us, and that Arturo was one of them as well,
22 and that he was seeking connections so that he could attack my
23 dad and my Compadre Chapo.

24 And so my dad, while he spoke to the general for about
25 five hours, and -- well, he said thank you, and the general

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1 said that if he were to come around any information that was
2 going to be used against my dad or my Compadre Chapo, that he
3 would tell us, and my dad was going to be giving him a monthly
4 payment. At that time, he gave him \$50,000, and that he was
5 going to be receiving \$50,000 per month.

6 Q Who did General Altimio work for?

7 A For the defense secretariat.

8 Q And what is that?

9 A Well, the defense secretariat represents the military
10 people, because there's another one, which is the maritime --

11 THE INTERPRETER: Actually, interpreter correction.

12 A -- the Navy secretariat, which is with the Navy.

13 Q Okay. Do you know someone by the name of Colonel Adams?

14 A Yes.

15 Q Who is he?

16 A He's another connection that my dad had. He's friends
17 with my dad.

18 Q And what does he do for a job?

19 A Well, in 2001, he was the colonel who was in charge of
20 protecting President Fox. He was with the presidential guard.

21 Q Did your dad have any meetings with him?

22 A Yes. My dad told me that he had met up with him in Mexico
23 City a few times.

24 Q And for what purpose?

25 A Well, my dad told me that at times that, you know, he

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1 would give him information regarding any law enforcement
2 operations that were going to be taking place against my dad.
3 In fact, a few months after my Compadre Chapo escaped, he was
4 one of the people who would give us information as to where
5 they had located my Compadre Chapo. I met up once with him. I
6 know Colonel Adams. I met up with him in Mexico City. We went
7 to have dinner at a restaurant by the name of El Lago in
8 Chapultepec.

9 Q You mentioned that he provided information after the
10 defendant had escaped.

11 A Yes.

12 Q Is that the capture operation information that you
13 received regarding the defendant's whereabouts in Tepic?

14 A Yes. My dad had called me on the radio and the connection
15 that we had by the name of El Estudiante had also contacted me,
16 and he said that he was calling on behalf of the colonel -- we
17 called him the guy -- the chewing gum guy, chicle -- and that
18 they knew that there was law enforcement operation against my
19 compadre in Tepic and to please tell Chapo to leave.

20 Q Why did you guys refer to him as the chewing gum guy?

21 A In Mexico, we have a brand of chewing gum that's called
22 Adams, so it was a code that we used so as not to say Adams on
23 the phone.

24 Q Okay. And the information that he provided to you after
25 the defendant's escape, is that the story you told us before

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1 about sending the helicopter?

2 A Yes. He later on went on to Sinaloa in our helicopter.

3 Q What was Colonel Adams receiving in exchange for this
4 information?

5 A Well, you know, he received monthly payments, but he was
6 my dad's direct contact, so my dad didn't tell me how much
7 money he sent him.

8 Q Okay. I want to switch topics now.

9 We've spoken a bit about the Carrillo Fuentes's. What
10 area in Mexico did they control?

11 A Ciudad Juarez, Chihuahua.

12 Q And in 2007, what was happening in Juarez?

13 A At that time, there was a war between the Beltran Leyva's
14 and some of their people who had gone against them.

15 Q The Beltran Leyva's?

16 A I'm sorry, excuse me, the Carrillo Fuentes's.

17 Q Who were the Carrillo Fuentes's fighting?

18 A It was an internal war against somebody they called Mario
19 M-10.

20 Q Have you ever heard of something called La Linea?

21 A Yes. Those were people who worked for the Carrillo
22 Fuentes's.

23 Q What is their background?

24 MR. BALAREZO: Objection. 401.

25 THE COURT: No. Overruled.

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1 A As far as I know, many of them belong to the judicial
2 state police. They were police officers, and they worked for
3 Vicente Carrillo Fuentes.

4 Q You mentioned someone named Mario. What was his nickname?

5 A M-10.

6 Q Have you ever met him?

7 A Yes.

8 Q When was that?

9 A Around -- beginning 2006. Towards the end of 2005,
10 beginning of 2006.

11 Q And where did you meet him?

12 A I met him through my Compadre Chapo in the Sinaloa
13 mountains.

14 Q And why was he in the Sinaloa mountains?

15 A At that time, it was my dad, Juancho and I who went there
16 to see my Compadre Chapo. M-10 was already there with him --
17 with my Compadre Chapo, and M-10 had come to see my Compadre
18 Chapo to tell him that he was fighting against the Carrillo
19 Fuentes's in Chihuahua; that -- you know, to tell him that they
20 had split up.

21 Q Okay. What was Chapo's response?

22 A Well, M-10 actually wanted to go there because he wanted
23 my dad's and my Compadre Chapo's support because he was aware
24 of the fact that they didn't get along, that they were enemies
25 because of the Rodolfo Carrillo Fuentes thing, so he knew that

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1 they were enemies and that he wanted their support.

2 Q Who is "they"?

3 A Well, you know, my Compadre Chapo, my dad. I did say
4 that.

5 Q So M-10 was asking for the defendant and your dad's
6 support in the war on wars?

7 A Well, at the time, he went there to say that things hadn't
8 gone right with the Carrillo Fuentes's and he didn't want to
9 have any problems with my dad or my Compadre Chapo. And, in
10 fact, he did say that if they were to support him, he would
11 stay in Ciudad Juarez to fight against the Carrillo Fuentes,
12 but either way, he was already fighting against the Carrillo
13 Fuentes's.

14 Q What did your dad and the defendant agree to do?

15 A Well, yes. I mean, there was no problem with M-10 at the
16 time because he was already fighting against the Carrillo
17 Fuentes's already; and if he needed anything, any kind of
18 support, my dad and my Compadre Chapo would be offering that to
19 him.

20 Q What kind of support?

21 A Well, my dad said that if he needed some kind of support
22 from the government people, he said that we could talk to the
23 PFP, the people who were Juarez. At one point, we also
24 mentioned, we said -- asked if he needed some sort of, like,
25 weapons or even money as well.

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1 Q Are you aware of anyone crossing weapons in the Juarez
2 area for the cartel?

3 A Yes. The same person I had in charge there, German, he
4 was one of them.

5 Q And where in the U.S. was German crossing these weapons
6 through?

7 A Through the border from El Paso to Juarez, Chihuahua.

8 Q And where were those weapons being sent to?

9 A Most of them were sent to Culiacan, and some of them were
10 to stay in Juarez.

11 Q Did you ever provide German with any instructions with
12 respect to M-10 in Juarez?

13 A I ordered German -- I said that if M-10 needed some sort
14 of support in Juarez regarding weapons, for him to give him
15 those weapons.

16 Q When M-10 was meeting with your dad and the defendant, did
17 he discuss any of the workers that he had fighting in Juarez?

18 A Well, he said that a person called Jaguar was on his side,
19 someone with the last name Arambula at that time, and also
20 Flaco Salguero, who we already knew from before.

21 Q You mentioned someone named Jaguar. Had you ever met
22 Jaguar?

23 A I met him one time, yes.

24 Q Showing you what's already in evidence as Government's
25 Exhibit 71.

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1 (The above-referred to exhibit was published.)

2 BY MS. LISKAMM:

3 Q Who is that?

4 A To me, it's Jaguar, the person that I saw.

5 Q Who introduced you to Jaguar?

6 A German introduced him to me.

7 Q When did you first meet Jaguar?

8 A In 2007. Towards the middle of 2007.

9 Q Okay. Now, are you aware of any meetings to try to
10 negotiate peace in Juarez?

11 A Yes.

12 Q Where did those meetings occur?

13 A In Zacatecas.

14 Q Showing you what's already in evidence as Government's
15 Exhibit 502.

16 (The above-referred to exhibit was published.)

17 BY MS. LISKAMM:

18 Q Can you identify for the jury where Zacatecas is located?

19 A (Indicating.)

20 Q How many meetings were there in Zacatecas?

21 A There were two meetings.

22 Q And let's just briefly talk about the first one.

23 Who attended the first meeting?

24 A Well, that meeting was taking place because of the
25 fighting that there was between M-10, Jaguar, Arambula against

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1 the Carrillo Fuentes's in Juarez, because he said that Carrillo
2 Fuentes, Arturo Beltran Leyva, and the Zetas complained a lot
3 about the war to my father and to -- that my dad had in Juarez.

4 I would hear my dad tell Arturo, Yes, those people are friends
5 of mine, but we are hearing they are going around and fighting
6 with my godson, Vicente.

7 My compadre -- my Compadre Chapo and I said my father
8 doesn't want that to keep going on; they want this to -- that
9 they can't fix it.

10 Q So who was at the first meeting in Zacatecas?

11 A It was people for M-10 and the Carrillo Fuentes's to see
12 if peace could be achieved between them in Juarez.

13 Q Who attended the meeting on behalf of M-10?

14 A Well, I found out that Jaguar went.

15 Q And who attended the meeting for the Carrillo Fuentes's?

16 A Jota Ele was going to be there and someone else that the
17 Zetas sent.

18 Q Who is Jota Ele?

19 A Jota Ele was one of the people in charge in Ciudad Juarez
20 for the Carrillo Fuentes's.

21 MR. BALAREZO: Objection. What's the basis for all
22 this?

23 THE COURT: You mean 602?

24 MR. BALAREZO: Yes, 602, Your Honor.

25 THE COURT: Thank you.

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1 MR. BALAREZO: Thank you.

2 MS. LISKAMM: I was just about to get there.

3 THE COURT: Okay. Get there first. Go ahead. Get
4 there now.

5 BY MS. LISKAMM:

6 Q Mr. Zambada, did you send anyone to the meeting in
7 Zacatecas to report back to you?

8 A Yes, my father told me to send one of our people so he
9 could listen to both sides what was being said.

10 Q And who did you send?

11 A I sent a person, one of my workers, a trusted person.
12 They call him La Keta.

13 Q And why did you send him?

14 A So that whatever was spoken about there, then one of the
15 people would report back that they said one thing and they
16 didn't say another.

17 Q After the meeting in Zacatecas, did La Keta report back to
18 you what had occurred at the meeting?

19 A Yes. I asked him to explain it to me so I could tell my
20 father, and that way they wouldn't be lies on both sides.

21 Q Based on that conversation with La Keta, is that how you
22 knew who attended the first meeting at Zacatecas?

23 A Yes. He told me that Jaguar was there and JL, and someone
24 called La Ardilla came on behalf of the Zetas. He was in
25 charge of Durango.

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1 Q And when you mentioned Jaguar, that's not the same person
2 as Arambula, is it? Correct?

3 A No. To me, it was a different person. I didn't know
4 Arambula, but I think it was a different person.

5 THE COURT: Can I have a short sidebar, please?

6 (Continued on the next page.)
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1 (Sidebar conference held on the record out of the
2 hearing of the jury.)

3 THE COURT: I'm losing the train. Tell me what this
4 meeting between these two facts has to do with the guilt or
5 innocence of this defendant on the charges here.

6 MS. LISKAMM: It ties into the next cooperating
7 witness who is going to connect the guns directly to the
8 defendant.

9 THE COURT: The guns.

10 MS. LISKAMM: Which is our 924(c) charge.

11 THE COURT: I see. Okay. Let's do it.

12 (End of sidebar conference.)

13 (Continued on the next page.)
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1 (In open court.)

2 BY MS. LISKAMM:

3 Q Based on your conversations with La Keta, what did you
4 understand the end result of the first meeting at Zacatecas
5 was?

6 A That they had reached no agreement among the two sides,
7 but it had remained in the end like there was going to be a
8 cease fire between them for those days.

9 Q And was there, in fact, a cease fire?

10 A No. It was too short. The problems continued in Juarez.

11 Q Okay. So we are talking about the 2007 time frame. What
12 was occurring during this time frame with the Beltran Leyva's?

13 A Well, the Beltran Leyva brothers, and, specifically,
14 Arturo, was very close to Vicente and the Zetas. We got
15 information in Culiacan -- my dad, my Compadre Chapo, and
16 myself did -- that they were introducing a lot of people into
17 Culiacan. They were renting offices and security houses and
18 they were putting in people from the Zetas, the Carrillo's and
19 the Beltran Leyva's. They started hiring people in Sinaloa, in
20 the mountains themselves, Sinaloa. Many people worked for them
21 because they thought that Arturo, at that time, was on the same
22 side as my father and my Compadre Chapo, but there came a time
23 when they told those people that they were going to be fighting
24 against my dad and my Compadre Chapo, and one of the people
25 that they had contact -- contracted deserted, and that person

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1 came to tell me personally about it.

2 When they were told that they were going to be
3 fighting against my dad and my Compadre Chapo, they respect my
4 dad a lot and also my Compadre Chapo, and they didn't want to
5 fight against us; and with all these things, it was further
6 confirmed that Arturo was even more on the side of the Carrillo
7 Fuentes's and the Zetas against my dad and my Compadre Chapo.

8 Q As a result of the buildup of people aligned with the
9 Beltran Leyva's, the Zetas, and the Carrillo Fuentes's, was
10 there a second meeting in Zacatecas?

11 A My father went to Zacatecas to see Vicente Carrillo
12 Fuentes, Arturo Beltran Leyva, and the Zetas.

13 Q And did the defendant go to that meeting?

14 A No. My Compadre Chapo did not go.

15 Q Why not?

16 A Well, my dad and my Compadre Chapo had an agreement that
17 one of them would go places; and, in this case, Arturo and the
18 Zetas wanted my father to go because he was kind of the
19 mediator.

20 Q Did you attend this meeting?

21 A I did not go to this one in Zacatecas.

22 Q Did you have any contact with anyone who attended the
23 meeting?

24 A My dad called me directly when he arrived in Zacatecas.

25 Q Why?

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1 A He called me to say that he was at the meeting and that
2 Arturo Beltran Leyva and Vicente Carrillo Fuentes sent their
3 regards; that Miguel Trevino 40 was there too, and that he sent
4 his regards too. JL, and another person named 2,000, and -- to
5 tell me that he had arrived there so that I would also tell my
6 Compadre Chapo that he had arrived, that he was in Zacatecas,
7 and that he was going to the meeting.

8 Q You mentioned someone named Miguel Trevino and also
9 someone named 2,000. What cartel d these people work for?

10 A They call it the Gulf Cartel for the Zetas.

11 Q Did you have any conversations with your dad after the
12 second meeting in Zacatecas?

13 A Yes.

14 Q And what did he tell you occurred at that meeting?

15 A Well, that they had spoken on the problems that were going
16 on in Juarez between the people working for M-10 and Vicente
17 Carrillo Fuentes. My dad said that Arturo and everyone said
18 that it was my father and my Compadre Chapo that had all those
19 people there fighting. My father said no, that they didn't
20 have any people in Juarez, that he had gotten all his people
21 out of Juarez, and even German he had taken out of Juarez, and
22 that it was true that M-10 and Arambula had come to approach
23 them, but that it was a problem amongst them. But my father
24 did tell me that he had spoken about this meeting in more
25 detail with my Compadre Chapo over up in the mountains. And,

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1 in fact, when the meeting ended, my father notified me, because
2 that's when we had agreed that he would tell me that he was
3 fine and that he was on his way back and that I should say that
4 to my Compadre Chapo and to ask at that time if my Compadre
5 Chapo could receive him in the mountains so they could speak
6 about what had happened in the meeting.

7 So between my father and Compadre Chapo, they spoke in
8 detail about what had happened at that meeting.

9 Q Based on your conversations with your dad, was anything
10 resolved as a result of this meeting?

11 A No. The problems kept increasing with the Beltran Leyva's
12 in Culiacan and the Carrillo Fuentes's. We were receiving more
13 information that they were bringing more people in and that
14 they wanted to fight and they wanted to kill my dad and my
15 Compadre Chapo and myself, and we had -- even by this time, we
16 knew the locations of several houses and offices belonging to
17 the Beltran Leyva's, the Carrillo Fuentes's in Culiacan.

18 Q Directing your attention to the beginning of 2008, what
19 happened with respect to the Beltran's Leyva's?

20 A Well, one of the brothers, Alfredo Beltran Leyva, was
21 detained in Culiacan.

22 Q And when did Alfredo Beltran Leyva -- he got arrested,
23 correct?

24 A Yes.

25 Q And when did that occur?

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1 A January 2008. Beginning 2008.

2 Q As a result of Alfredo Beltran Leyva's arrest, what
3 happened next?

4 A Well, that aggravated things a little bit more. I mean,
5 that's referring to Arturo Beltran Leyva. Arturo, on one
6 occasion, spoke to my dad on the phone claiming that my dad and
7 my Compadre Chapo had given Alfredo up. My dad told him that
8 no, that there was no way that neither my dad or my Compadre
9 Chapo or us had anything to do with that, but Arturo kept
10 thinking the same thing.

11 Q As you saw a buildup of the Beltran Leyva's, the Zetas,
12 and the Carrillo Fuentes's in Culiacan, was there also an
13 increased Government presence in Culiacan as well?

14 A Yes. There were PFP personnel who had been sent there
15 from Mexico City.

16 Q And PFP is the federal police again?

17 A Yes.

18 Q Why were they there?

19 MR. BALAREZO: Objection.

20 THE COURT: Sustained.

21 BY MS. LISKAMM:

22 Q Did you talk to any of your Government contacts about the
23 federal police presence in Culiacan?

24 A Yes.

25 Q What did they tell you about the presence of the federal

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1 police in Culiacan?

2 MR. BALAREZO: Objection. 801.

3 THE COURT: Okay. That's a good place for us to break
4 for the day. We will talk about the objection after we send
5 the jury home.

6 Ladies and gentlemen, remember we're trying the case
7 tomorrow. We will be back here even though it's Friday.
8 Remember not to read any media coverage of the case at all,
9 don't do any research, don't communicate with anyone, not even
10 family and friends about the case. Just hold everything close
11 to you, and we will see you tomorrow morning at 9:30.

12 (Jury exits.)

13 THE COURT: All right. The marshals are going to
14 escort the witness.

15 (Witness is excused.)

16 THE COURT: Everyone sit down.

17 What's he going to say about what these unnamed police
18 officers told him as to why there was an increased presence?

19 MS. LISKAMM: He's going to say that there was an
20 increased presence in Culiacan due to rising tensions between
21 the cartels and that they then provided information to the
22 federal police to start targeting the enemy safe houses. These
23 are individuals that the cartel are paying off to provide just
24 this very information.

25 THE COURT: Are they? I mean, I understand people are

1 being paid off, according to the witness, but I don't know that
2 these people he's talking to are the ones that are being paid
3 off because he hasn't even named anybody.

4 MS. LISKAMM: Your Honor, I can go into further detail
5 with that.

6 THE COURT: How can I get you to go into less detail?

7 MS. LISKAMM: That's what I'm struggling with, Your
8 Honor. I'm trying to move this along for the Court, but I'm
9 getting objections to getting more detail on things.

10 THE COURT: Tell me how the answer to this question
11 bears on the defendant's guilt or innocence.

12 MS. LISKAMM: Your Honor, this is right before the war
13 with the Beltran Leyva's breaks out in Culiacan, and the
14 witness will testify -- and we have other witnesses who will
15 testify -- that on April, I believe it's 30th, of 2008, the war
16 broke out when all these federal police officers who were
17 acting on information from the defendant's cartel went and
18 raided all these enemy houses, and that's sort of the catalyst
19 that broke open the war with the Beltran Leyva's.

20 THE COURT: Can't we skip all that and just get to the
21 fact that there was a war with the Beltran Leyva's? Do we have
22 to explain the origins? It's like, you know, God created the
23 universe and everything else follows, but do we have to go that
24 far back?

25 MS. LISKAMM: Your Honor, this ties into other

1 cooperating witness who have testified and are going to be
2 testifying. It is not that lengthy of an explanation. Trust
3 me, there is much more detail behind this, and we are keeping
4 this at the 30,000-foot level.

5 THE COURT: Defendant has anything to add?

6 MR. BALAREZO: I would like to keep it at the
7 50,000-foot. This is just a little much, Your Honor. I'm not
8 objecting much, but, at some point, we have to move on.

9 THE COURT: When I asked you at the break this morning
10 how much you had left, you had 80 percent left. What
11 percentage do you have now?

12 MS. LISKAMM: I'm almost four-fifths of the way done,
13 Your Honor.

14 THE COURT: Okay. I think you have taken to heart my
15 suggestion that you try to keep this as focused as possible, so
16 I'm not going to limit you at this point. Just think about my
17 suggestion.

18 MS. LISKAMM: Understood. Thank you, Your Honor.

19 THE COURT: Anything else? All right. See you at
20 9:30.

21 (Trial adjourned to Friday, January 4, 2019, at
22 9:30 a.m.)
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